THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII | Annual Subscription, $5.00 | PUBLICATION OFFICE: TORONTO, NOVEMBER 2, 1923 | Single Copies, 10 Cents. | No. 44

BIG SURPLUS OF MONEY IN HANDS OF THE PEOPLE

Estimated $150,000,000 Left Over From Bonds and Dividends

INCREASE IN WEALTH

Field, Mine, and Forest Yield $215,000,000 More Than Last Year; $1,100,000,000 More Than in 1913

After careful inquiries, THE FINANCIAL POST estimates that as the result of the distribution of principal and interest on Dominion government loans, and of interest and dividends on other securities, there will be made available to Canadian buyers and investors during November a surplus of about 142,000,000—after re-investments—the great bulk of which will be in the hands of people of moderate means. This may be compared with a total of less than $45,000,000 distributed in November last year. For eleven months to the end of November dividends and bond interest distributed are estimated at $312,500,000, which does not, of course, include the refunding of $172,000,000 by the Federal government.

The compilation of dividends and bond interest for November made by THE FINANCIAL POST totals over $50,000,000. The refunding by the Federal government amounts to $172,000,000, a total distribution of $222,000,000. Estimates of the amount to be reinvested in the Dominion and Ontario issues vary, but after investigation have been put at $80,000,000, leaving a surplus of $142,000,000 for investing and spending.

The indications are that a large portion of this amount will pass to the retail trade and into commercial channels. Institutions and big investors will be largely included in the $70,000,000 mentioned. Small investors will figure largely in the balance of the total refunded, because when the issue was made in 1918 there were five-year and fifteen-year offerings, and the small investors favored the shorter term.

Following is a summary of the figures quoted:

Dividends and Bond Interest

	November 1922	1923
Dividends	$ 6,799,916	$ 4,737,876
Bond interest ..	37,352,475	45,596,915
	$44,152,391	$50,334,791

	Eleven months 1923
Dividends	$116,521,017
Bond Interest	196,013,108
	$312,534,125

Total November Distribution

Interest and Dividends	$ 50,000,000
Refunded Loan	172,000,000
Total Distribution	$222,000,000
Reinvested	70,000,000
In hands of public	$152,000,000

From Other Sources

This surplus of investment income available at this season, when the big crop is being marketed, should have an important bearing on the buying power of the people. Estimates already published by THE FINANCIAL POST put the value of field crops as $1,000,000,000 for the year, an increase of $40,000,000 over 1922, and the value of crops and products of forests, mines, fisheries, etc., at $2,100,000,000, showing an increase of $215,000,000 over the previous year. In addition, the value of livestock and poultry at $810,000,000 represents an increase of $85,000,000, which will affect buying power as sales are made.

It is interesting to note that the total estimate of returns from field, mine and forest, at $2,100,000,000 compares with a total of $1,036,000,000 for 1913, showing an increase of $1,100,000,000, or more than one hundred per cent.

Natural Wealth in Trade Figures

Further indications of buying power created from the wealth taken from field, forest, and mine, are provided in analysis of the trade figures.

In the twelve months, ended with September, Canada's exports increased by $204,000,000. Of the total more than 25 per cent. was due to increased exports from the forests—the saw-mills, the pulp mills, and the paper mills. Another 8 per cent. was contributed by automobile factories

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LITTLE EXPECTED OF THE GRAIN INQUIRY

Experience With Lake Rates Likely to Result in Caution on Part of Government

From Our Own Correspondent.

OTTAWA.—There is much speculation over what will probably come out of the report that the Grain Enquiry is expected to bring in. It is no secret that the farmers do not expect a very great deal from it, they having been disappointed that men with a good practical knowledge of the grain trade were so passed over.

It may be taken for granted that whatever the Commission may recommend the government will weigh the report well before giving effect to its recommendations in legislation. It has learned this much from the legislation on the lakes' freight rates, which is now a rather sore point. Insofar as the legal aspect of things is concerned, much confidence is placed in the views of Mr. Justice Turgeon, chairman of the commission, who as attorney general of Saskatchewan, made a name for himself as a sound lawyer.

While it is difficult to say as yet that the recommendations of the commission will bring about important reforms, it is thought that its work will have been of value, if it has done nothing more than give a number of dissatisfied farmers, especially in the West, an opportunity to air their views. Those who know the grain trade contend that the serious grievances arising out of the handling of grain are now very few, the conditions being quite different from what they were when the Canada Grain Act was passed. If the Alberta wheat pool operates to any great extent, it will also disclose whether the farmers' grievances over the handling of grain are real or fancied.

"POLICY LOANS" NOT GREATLY IN FAVOR

Banks Make Them, but Experience Has Shown Them to be Dangerous

From Our Own Correspondent.

MONTREAL.—More thought has been given by bankers recently to the subject of "policy loans" than for a long time past. Policy loans that have gone bad have contributed to the difficulties of the banks that have suffered losses during the past two or three years.

Policy loans in the banking sense have nothing to do with insurance policies but are loans that have been made because it is good policy to make them; because by making such loans the bank is able to swing larger business in its direction. Typical is a loan of about $500,000 made by the Montreal office of one of the banks to the head of an important industrial corporation and which is utilized by this industrial executive largely for stock market speculations and investments. But, by making this loan the bank has insured its connection with this executive and gets the very important business of the firm.

The sounder bankers seem to be opposed to policy loans now and greater restrictions are likely to be placed on them from now on.

In this connection, quotation might be made from an article that appeared in the staff monthly magazine of one of the banks not long ago. This article stated:

"I should like to say a few words with regard to policy loans. It is, of course, generally conceded that it is desirable in some cases to make policy loans and in this respect one branch is no different from the others. Head office is not disposed to criticize the making of policy loans where it is not done to excess. The justification for policy loans is, of course, the acquisition of desirable discount and deposit business, but it is probable and unfortunately has been the bank's experience, as I understand it, that such business has been obtained at too great cost. It should be remembered by those in charge of new branches (and the same is true to a certain extent in old established branches) that slow and steady growth is much to be preferred to a spectacular showing, marred by the heavy writing off of injudicious loans. Furthermore, it will be found that policy loans are troublesome and unremunerative, especially if the borrowers are given too much leeway, and in addition they take up the manager's time which might be better directed to the acquisition of legitimate and more remunerative banking business."

OTTAWA POLITICS CALL FOR A FARM CREDIT PROGRAM

University President Has Been Selected to Report on Scheme

From Our Own Correspondent.

OTTAWA.—The Government is preparing to father a system of agricultural credits. Dr. Tory, president of the University of Alberta, has been encounted to conduct an enquiry into the question, and the announcement conveying this news says that an at least partial report may be expected during the next session of parliament.

It is believed that the government has been converted to the necessity of introducing a policy on this matter, and that what is expected of Dr. Tory is a recommendation as to the best way to go about it. Most people are at a loss to know how he came to be appointed, for he has no reputation as either a financier or economist, though he does stand high as an educationist. However, things have been coming his way recently. The government evidently thinks highly of his ability, for, in addition to conducting this investigation, he has also been appointed chairman of the committee on scientific and industrial research.

That the government has for some time been coming around on the agricultural credits question has been known. In his first statement to the public after taking over the Department of Trade and Commerce, Hon. T. A. Low said that he had been studying it, and if he, an eastern minister, had been doing so, one may be sure what the western ministers have been doing.

The government must do something to strengthen itself in the West and to offset the disappointment resulting from its wheat board and lake freights' legislation. The astute politicians in the government's ranks know better than to allow an attractive plank such as agricultural credits lie around without any party tieing up to it. It is quite certain that if it does not do something in this matter the Conservatives will, and there is a disinclination to let the latter in on a good issue.

Very little thought has been paid to the question of how much money will be required to finance the scheme. The secretary of the Canadian Council of Agriculture expressed the view last session that $1,000,000 would go a long way; but it is more generally thought that this would only be a drop in the bucket. Money for the scheme would probably be secured through a sale of bonds guaranteed by the Government.

AUSTRALIA AIMS TO HIT CANADA'S EXPORTS OF AUTOS

Would Increase Ratio of British Made Materials

From Our Own Correspondent.

OTTAWA.—Trade and commerce officials are more than ordinarily interested in cables from London to the effect that the Australian Industries Protection League wants Premier Bruce, of the Commonwealth, to change the customs tariff so that in future goods enjoying the British preference must contain 75 per cent. of British labor or materials, instead of only 25 as at present.

It is accepted that this is aimed at the important export business in automobiles that Canada has built up, not only with Australia, but with other portions of the British Empire, through the establishment in this country of a number of important branch plants of American automobile corporations. The Australian manufacturers, who, to a very large extent, represent British firms, cannot hold even their own home market in the face of this competition; for they admit that they have not the making of cars down nearly as fine as have these Canadian-American corporations.

The impression is that this would be a knock-out blow to the large export trade in automobiles that Canada has built up during the last few year, and which, to a considerable extent, has been made possible through the introduction of the British preference in other portions of the Empire. During the last fiscal year Canada exported to Australia over 17,000 cars, and during the first half of this year the number exceeded 11,500. At the present rate of going Canada will sell to Australia, during the current fiscal year, possibly 22,000 cars, or over five times as many as three years ago. So it is quite evident what is at stake.

Canada has never insisted that goods admitted into this country under the British preference must contain a certain percentage of British labor, and materials; but if Australia intends to treble the proportion, then it is quite certain that the manufacturers of Canada will demand action.

Current Financial Policies

Under the above caption we reprint on page 10 an article from The Montreal Gazette.

The Gazette thinks THE FINANCIAL POST has become unduly alarmed over the public attitude on the Home Bank failure and it does not agree that it might have been good business for the banks as a whole to have protected the Home depositors. The Gazette points out that such action would have been wrong in principle and illegal. We agree with the Gazette. In principle this suggestion is wrong, but in policy, with conditions as they were, foreseeing the dangers facing us, a number of able financiers, and some bankers, think that as a matter of policy—and bankers do many wise acts that are technically and legally wrong, because at the time they are good business—it would have been wiser if the Bankers' Association had some years ago taken hold of and cleaned up the Home Bank situation and prevented the final developments. Moreover, under very similar circumstances, Chicago bankers did just this thing which was wrong in principle, but proved the wisest in policy. They not only paid the depositors of a broken contemporary but also saved its shareholders from double liability.

As a matter of sound business, THE FINANCIAL POST would go further than the Gazette, which fears a bank monopoly or money trust. Canada's interests would be best served by amalgamations that would give us fewer banks and eliminate many hundred branches where they are not needed; but, as a matter of policy, this would be most unwise at the present time, because the public do not understand that the present system has economical weaknesses, and is very expensive.

To-day, the situation is that we have a national Bank Control Act, which is just and generous to the public. It is based on sound experience, and it appears to be as good as conscientious parliamentarians could make it. We know of no country with a banking law which is as fair to the public in it protective and service features. But, unfortunately, the country does not see it that way. The country believes it was forced through parliament by the monied interests. Over two hundred thousand persons have suffered through the failure of the Home Bank. They are blaming the bankers, and their influence on the government. A certain type of lawyers are encouraging them and organizing to inflame public opinion towards Canadian banks in hundreds of centres across Canada. Suppose they find a national leader! This is the direct danger. The indirect is that all this agitation will make it everywhere harder for Canadian industrial leaders, now handicapped by legislation more than in perhaps any country in the world. Parliaments and councils will receive support in imposing further exactions on business. The new Ontario government has promised some relief from the injustices and handicaps imposed on business by a Labor government. Agitation like the present will make it harder, if not impossible, for them to do so.

The Bankers' Association cannot now do anything to aid the Home depositors, but it can do much to help the general situation. Tactful handling and showing an understanding of public opinion will make it easier for themselves and be a powerful aid to their clients.

* * * *

No paper in Canada is entitled to more attention when it expresses views or gives advice on business and financial questions than The Gazette, which is fortunate in having, as its editorial guide, a veteran who combines high journalistic ability and sound judgment with broad practical experience in banking, business, and public affairs.

The writers on THE FINANCIAL POST naturally find themselves almost invariably in accord with the Gazette on basic principles of business and on Canadian banking problems, but differ at times on questions of policy. The Gazette writers live in, and know only Montreal, and are in danger of believing, and telling their readers, that, as thinks Montreal, so thinks the rest of Canada. THE POST staff lives and works not only in Montreal, but in all the rest of Canada. THE POST knows the feelings and thoughts of west, east, and centre, and it is in the light of this knowledge that THE POST writes of a disturbed opinion as regards the Canadian banks and bankers.

Our contemporary does not get the national viewpoint. It is a local newspaper, confined to a city where ideal business conditions prevail; where hard work, long hours, sane living, are still the only short cuts to success, and where success is not yet a crime; where schools don't make men and women discontented by educating them beyond their mental capacity; where men who build great industries are appreciated; where colleges do not offer opportunities to men who teach that capital and robbery are synonymous; and where public men, preachers, teachers and writers, are guided in their utterances and policies by the teachings of experienced leaders, and not carried away by the theories promulgated or the fear inspired by political demagogues or mental degenerates. A case in point was a man of the latter type—recently released from an Ontario asylum and deported—who for over two years capitalized and inflamed public opinion to such an extent that cabinet ministers, mayors and great editors received him with respect or appeared before him to take his commands and support his insane theories, developing them into public policies. Such a man can get no following in Quebec against the business and financial interests, and it is therefore difficult for the bankers and journalists of Montreal to understand conditions elsewhere. In Quebec, however, it is racial and religious, not business misunderstandings and prejudices that politicians and others play upon.

American Vessels Taking No Chances in Handling our Grain

Demanded and Secured Protection in Evading the Act

SHIPPERS RESPONSIBLE

By E. CORA HIND
Commercial Editor, Manitoba Free Press

WINNIPEG.—It would appear as if the inland lake freights situation might be reasonably regarded as settled, for the time being at least. Leslie Boyd, K. C., chairman, and Matt Snow, senior member of the Board of Grain Commissioners, spent all of last week in Cleveland conferring with the American vessel owners, and arrived at an agreement with them—which agreement, however, required the acceptance of the Canadian shippers. With this agreement they returned to Winnipeg Sunday and met the shippers on Monday afternoon. The two clauses of the agreement which the American owners desired the Canadian shippers to sign were:

First—That in case a Canadian shipper chartered an American vessel and failed to file his charter with the Board of Grain Commissioners that the Canadian shipper would indemnify the American vessel owner for any loss that the American vessel might sustain through such omission.

Second—That the Canadian shippers would indemnify, through the Board of Grain Commissioners, American vessel owners for any loss that might occur to them through any proceedings which might be taken against their vessels if they entered the Canadian grain trade without themselves filing tariffs with the Board of Grain Commissioners.

Are Playing Safe

In passing, it might be remarked that evidently American Vessel owners are apprehensive that some person or company in Canada is likely to challenge the interpretation placed on Clause 3 of the Inland Water Freight Rates Act, and are determined to play safe, even while they are anxious to participate in the grain movement. At the meeting Monday afternoon, the whole situation was thoroughly discussed and four of the largest shipping companies on the exchange agreed to accept the agreement and work under it other shippers seemed disposed to hesitate, but on Tuesday morning Chairman Boyd filed with the secretary of the Winnipeg Grain Exchange an undertaking on the part of his commission to bear any losses which might occur to Canadian shippers through their guarantee to American vessel owners to indemnify them against any loss that might accrue through proceedings being taken against their boats. It is understood that this guarantee of the Board of Grain Commissioners has the government behind it.

On Tuesday, before noon, four more of the large Canadian shippers accepted the agreement. The eight thus undertaking to abide by the agreement are sufficient to swing the others into line, provided they want to do any business with American ports.

Rates are Dropping

At the meeting on Monday, Chairman Boyd made it clear, in reply to a question, that the special interpretation given to Clause 3 of the Act in no way interfered with the right of the board of commissioners to fix minimum rates, should they consider it necessary to do so.

It does not look as if it would be necessary, as already rates for November and December have dropped materially.

While all these discussions have been going on, the farmers of the prairie provinces have been steadily delivering their wheat to country elevators, and up to Friday last 183,000,000 bushels had been delivered, or 19,000,000 bushels more than for the corresponding period of last year though movement of grain was fully two weeks later in beginning this year than last.

MANUFACTURERS WOULD SHOW TAX ON THE INVOICE

Object to Regulation That Price Should be Inclusive

POINT TO STATUTE

Have Secured Legal Opinion That Regulation Not in Keeping With Act is Ultra Vires—Protests

The basic principle of the new sales tax, which goes into effect on January 1, and which has been the subject of a great deal of controversy since it was adopted at Ottawa, is that it applies once, to finished goods, and thus overcomes pyramiding at various stages of manufacture and distribution. The manufacturers of finished goods are the collectors, except in cases of licensed jobbers who sell largely to manufacturers and also to the public, and who collect when they sell to dealers or consumers.

The feeling of the manufacturers affected was that they were being made to bear the brunt of the sales levy to the relief of retailers and wholesalers and certain manufacturers who supply unfinished products to other manufacturers, and that it would not be good policy to oppose a government program which bore evidences of being good politics. But there is one feature of the latest regulations to which the manufacturers responsible for the collection of the tax are taking definite exception. Memorandum 39, issued by the Commissioner of Customs and Excise, provides:

> 11. Invoices: (A) Licensed manufacturers and licensed wholesalers when selling to retailers or consumers, shall not show the tax as a separate item on the invoice.

The original act made no such stipulation. There was nothing definite as to how the manufacturer would collect the tax—as part of his price, or as a separate item. The manufacturers, therefore, were practically unanimous in following the principle that the tax should be

Continued on Page 16)

Baldwin's May Resume Output of Tin Plate

Baldwins Ltd. of Toronto is considering the resumption of tin plate production. A couple of directors from England are coming out to discusss the matter with Sir Hugh Poynter. In order to get some definite data on the possible market an enquiry was sent out, and brought to light the prospect of a favorable tonnage.

Property Tax Condemned in British Columbia

VICTORIA.—The personal property tax should be abolished, representatives of 1,000 business men of the province told Premier Oliver and Hon. John Hart. The premier, after hearing the arguments presented by the delegates, said that no announcement of policy in regard to this tax could be made until after the opening of the forthcoming session of the legislature.

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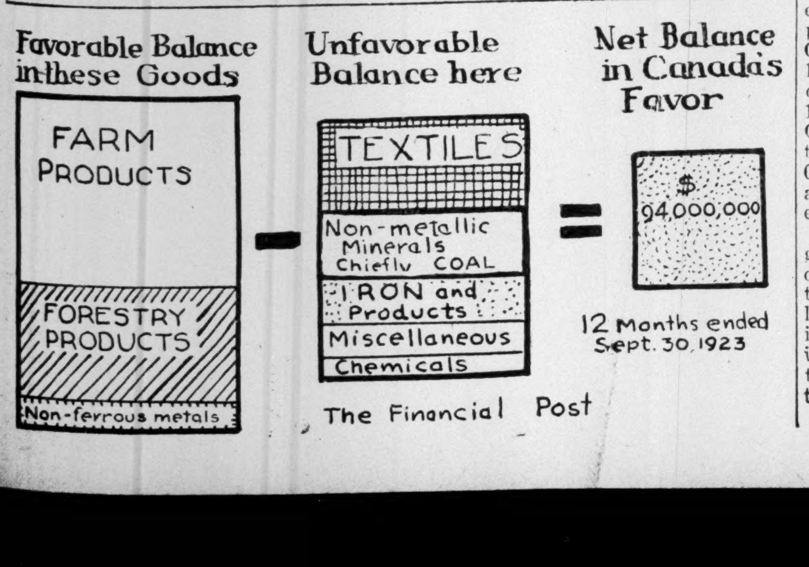

SAFETY DEPOSIT BOXES

For the safe-keeping of Bonds, important papers, and articles of value, the Bank of Montreal, offers the use, at a nominal rental, of Safety Deposit Boxes in specially equipped vaults at its

KING and YONGE STS. BRANCH
14 King Street West, Toronto

BANK OF MONTREAL
Established over 100 years

To OWNERS OF VICTORY BONDS MATURING NOVEMBER 1st, 1923

Under authority of the Minister of Finance The Bank of Nova Scotia will redeem the maturing 1923 Victory bonds at par, at any of its branches throughout Canada.
Owners may deposit their bonds with the bank any time before November 1st next and on that date receive payment in full without charge or deduction of any kind.
Payment will be made as instructed by the owner, either in currency, by cheque or by credit to the owner's account.

The Bank of Nova Scotia
Established 1832
Capital, $10,000,000 Reserve Fund, $19,500,000

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

UNION BANK OF CANADA

Dividend No. 147

Notice is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the First day of December, 1923, to shareholders of record at the close of business on the 15th day of November next.
The Transfer Books will be closed from the 16th to the 30th day of November, both days inclusive.

By order of the Board.
J. W. HAMILTON, General Manager.
Winnipeg, Oct. 18th, 1923.

Letters of Credit

EVERY branch of this Bank is in a position to issue Letters of Credit. Our arrangements with leading banking institutions throughout the world assure you financial accommodation wherever you may require this convenience.

THE DOMINION BANK 952
HEAD OFFICE, TORONTO
LONDON, ENG., BRANCH, 73 CORNHILL, E.C.
NEW YORK AGENCY, 35 WALL STREET.

LONDON JOINT CITY AND MIDLAND BANK LIMITED
CHAIRMAN:
The Right Hon. R. McKENNA
JOINT MANAGING DIRECTORS:
FREDERICK HYDE EDGAR W. WOOLLEY

Subscribed Capital	£38,117,103
Paid-up Capital	10,860,852
Reserve Fund	10,860,852
Deposits (June 30th, 1923)	347,900,203

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C.2
OVERSEAS BRANCH: 65 & 66, OLD BROAD STREET, LONDON, E.C.2
Atlantic Offices: "*Aquitania*" "*Berengaria*" "*Mauretania*"

AFFILIATED BANKS:
BELFAST BANKING CO. LTD. THE CLYDESDALE BANK LTD.

THE THREE BANKS HAVE OVER 2,000 OFFICES IN GREAT BRITAIN & IRELAND

Asbestos Merger May Come Through Later

From Our Own Correspondent.

MONTREAL.—While the projected merger of the asbestos producing companies of Quebec was unofficially announced as "all off" it is understood by THE FINANCIAL POST that there is nothing so definite to the breaking up of negotiations. The merger has strong interests behind it and negotiotions are likely to continue quietly and there is an excellent prospect of something in the nature of a combination of interests being worked out.

The smaller merger is now being put through, that of Asbestos Mines and Black Lake Asbestos, but this is merely a combination of two properties controlled by one man, J. A. Jacobs, and does nothing to solve the marketing problems of the asbestos corporations as a whole.

COMMISSION TO PROBE UNREST IS DOOMED TO FAIL

Feeling is That it Will Not Bring Peace to the Maritimes

REDS ARE ACTIVE

One Hopeful Sign is That Companies Will Help Present Union Leaders to Block the Radicals

Through no fault of its personnel, the Royal Commission on unrest in Cape Breton seems doomed from the start to become a mere formality and to exercise little or no influence in the stabilizing of the chief industrial field of the east. There are two reasons for this, (1) the time selected for its operations, (2) the limited character of its commission. Had the Robertson board been appointed shortly after the coal strike of 1922, or even early in 1923, when the workers were still united and confident, it might have averted altogether the disastrous general strike of last August, or at least have secured a vigorous presentation of both sides of the question with a consequent fund of first hand information upon which the public might base an intelligent estimate of the situation.

As matters stand now, the case of the steel company will doubtless be presented by expert engineers and accountants, supplemented by the best legal skill that money can procure. On the other hand, the steelworkers' union is shattered, and is to-day little more than a name. Forman Waye, M.P.P., its principal surviving officer, has never been a steelworker, and the events of the strike showed that the union archives contain little in the way of accurate data as to the rates of pay and wages of the workmen. The steel company has already, in an official statement, admitted that it has declined to re-employ a number of strike leaders who were looked upon as chronic trouble makers. Most of these men, who might have thrown some light upon the underlying causes of recurring unrest, have left Canada to seek employment in the U.S., and their evidence will not be available. Among the thousands who returned to their posts after the strike, there may be some who could duplicate this evidence, but under all the circumstances it is hardly likely that they will come forward at all, much less undertake a vigorous presentation of their views. This natural disinclination to come into the limelight again is intensified by the fact that a "plant council" system of workmen's representation has been in operation at Sydney for about two months, and so far has proved a marked success. (Recently the plant council succeeded in getting work for 66 men who had been idle since the strike.) Business has been brisk at the steel plant for some months, and this is an added reason for the inclination of the workers to let sleeping dogs lie.

Little Chance to Succeed

Regarding the second difficulty, the fact that the commission does not call for a probe of the coal industry, Dr. Robertson has intimated that he will go into this phase of the labor question, if circumstances seem to warrant it. As the two are intricately interwoven, it is hard to see how he can avoid doing so. If he does, he will find Glace Bay headquarters of the U.M.W. in possession of the Barrett faction, which does not want any publicity for its recent relations with the coal companies and with John L. Lewis. It has already publicly intimated its hostility to the whole Robertson probe.

J. B. McLachlan, the only labor leader in the district with sufficient information to direct a proper presentation of the coal and steel workers' cause, is in jail awaiting sentence for seditious libel. It is possible, though not probable, that he may be taken to Sydney to testify. The principal hope of the Robertson commission's success lay in its possibilities as a fact-finding body in which both sides would have implicit confidence. In view of the situation outlined above, the labor element state openly that they have no faith in its ability to get at the basic facts.

The steel plant has been busy of late, but there has been much broken time in the coal fields. The situation in the district is not even one of armed neutrality. It is that of a conquered territory held down by the sword. The steel workers have been smashed for the time being, but the miners have preserved their organization. They are merely chafing for the opportunity to throw off the Barrett yoke. Without waiting even for that, they have already given the required notice to end the present contract on January 15, 1924, and negotiations with the companies for a new schedule will begin about November 20.

Companies' Position

The principal note of cheer is the belief that the coal companies would rather do business with Barrett than the radicals, and may give the men more favorable terms for the purpose of strengthening Barrett's hands in the trial of strength to come within the union.

Meantime the Red drive continues. For five years the radicals have poured their poison into the island, using seditious literature, Labor newspapers and by word of mouth. Resolutions adopted within the week go to show conclusively that so far from causing a change of heart, the conviction of McLachlan has merely confirmed in the minds of his followers what the radicals have been teaching in regard to alleged sinister influences dominating the courts. The failure of the August strikes and the presence of troops and provincial police have likewise confirmed in their mind the Red teachings as to the alleged forces actuating our press, pulpits and governments in their relations to Labor and Capital.

CANADIAN ASBESTOS IS MADE UP ABROAD

We Ship Out Raw Material and Then Buy Back Products Made From It

From Our Own Correspondent.

MONTREAL.—The Dominion Bureau of Statistics has been carrying on an investigation of the supply of raw materials in Canada and the development of industry in Canada using those raw materials. Special concentration had been made on the non-metallic minerals. Typical of the results that have been found is the story of the condition of the asbestos industry in Canada.

Although a large proportion of the world's supply of asbestos is produced in the crude fibre form and is graded in the mills of the Eastern Townships of Quebec Province, a considerable portion of asbestos used in Canadian industries is imported in the prepared form as asbestos shingles, brake bands, paper, packing, and yarn. A few industries, such as paint, rubber, roofing, electrical goods and pulp and paper, use the raw material, but with the exception of roofing which uses considerable quantities of raw asbestos, the amounts reported were small.

There are only ten firms in Canada producing asbestos goods or materials. The production of these industries is small compared to the total amount of asbestos produced in the country.

It is obvious that pulpwood is not the only Canadian raw material that is being shipped abroad to add to the wages and wealth of foreign workmen and manufacturers. Canadian crude asbestos enters the United States duty free, but asbestos yarn from this country is subject to a 30 per cent. ad valorem duty. Freight rates on finished products are also higher than for the crude materials. These factors, together with the restricted home market prevented the development of asbestos manufacturing industry in Canada to that degree which our supply of the raw material would seem to warrant.

BIG IMMIGRATION EXPECTED IN 1924

Figures Indicate That Movement from Europe is Already Under Way

From Our Own Correspondent.

OTTAWA.—The immigrants entering Canada in September numbered 14,172, representing an increase of 107 per cent. over the number for the same month last year. Of these, 6,398 were from the British Isles, 2,142 from the United States, and 5,632 from other countries. The increase in the latter is very large, the number of such immigrants being four times that for September, 1922.

During the first nine months of the current calendar year Canada received approximately 107,000 immigrants, or about 37,000 more than during the whole of 1922. The steamship companies and immigration officials expect a much larger inflow in 1924. It is expected that this will be especially true as respects people from Northern Europe, where a large proportion of the farm settlers will be obtained.

The appointment of Dr. Black, formerly Deputy Minister of Immigration, as director of the Canadian National Railway immigration work in London, is an indication that the government railways are about to launch a very energetic campaign.

The Immigration Department will spend a busy winter preparing for next spring's campaign. Hon. James Robb is very desirous of maintaining the good name he earned for himself in the Trade and Commerce department. So taking everything into account, there is a combination of circumstances working for a big immigration year in 1924.

AMERICAN CROP LITTLE MORE THAN FOR HOME NEEDS

Increased Yields are Being Shown by Other Countries

NEW YORK.—Business continued generally satisfactory during October, although in certain trades producers who had expected a seasonable revival of forward buying in large volumes, as in the days before deflation and increased knowledge of the operations of the business cycle, expressed disappointment when the buying failed to develop in the expected volume. Seasonal declines in building and other outdoor activities resulted in further slowing up in production in some lines, and industries mainly dependent on foreign markets also suffered as a result of the new crisis in European affairs. On the other hand, improvement took place in a number of directions, says the American Exchange National Bank. The crisis in the oil industry was safely passed; higher prices were reached by farm products, thus bringing these products into closer, although still far from complete, adjustment with other prices; new buying was reported by the steel industry, and it was predicted that seasonal buying of steel by the railroads would appear shortly to take up some of the slack caused by the falling off in demand from other consumers. Prices continued firm, the tendency being rather upward than downward. The moderate advances in prices had no perceptible effects, one way or another, resulting neither in a stimulation of buying nor in hesitation on the part of ultimate consumers.

Although price advances failed to induce forward buying on the scale expected, some forward buying was reported from practically all of the merchandising trades. Last year there was very little forward buying in any trade at this season, buyers then having delayed buying even in small quantities until the season in which the goods were to be sold to the consumer was near at hand. This year limited orders against spring requirements are being placed freely, and it is expected that these orders, with hand-to-mouth buying through the winter, will enable manufacturers to maintain production on a satisfactory basis throughout the seasonally dull months.

Further stimulus to general business is expected to result from the efforts of leaders of the building industry to keep construction going through the winter. Attempts to make building an all-year industry are being made, and it is the opinion of leading construction interests that the efforts in this direction will begin to bear fruit this year. There are many inducements tending to sway potential builders to adopt the suggestion, not the least of which are prospective reductions in labor costs. Material costs have advanced very little since last year, most materials even showing a reduction, but wages, and particularly bonuses, have placed a heavy burden on the building industry. It is claimed that building can be carried on through the winter without the payment of bonuses, and this possibility, together with expectation of advance in material costs in the spring as a result of a revival of building and an increase in Japanese demand, forms the basis of trade opinion that building operations will be continued. Export trade has also improved in the last month or two, the exportation of animal food products and manufactured goods, in particular, having shown a good increase, but wheat, corn and cotton continue relatively light, the demand for wheat having shown a sharp falling off from last year.

Crop reports issued by other countries still show increased yields and additions to world supplies, but there is a growing belief that the American crop will hardly more than suffice for home needs. Hand-to-mouth buyers largely account for the falling off in cotton exports at this season, although it is also true that Europe is consuming less American cotton, partly as a result of high prices and partly as a result of general conditions in Europe.

What Canada Sells—and Buys

What does Canada sell to the various countries of the world? And what does she buy? Poring through government blue books to find this information is a ponderous job for the busy importer or exporter, and to make that unnecessary is the purpose of this series of records of the imports and exports of Canada as regards the important nations we trade with.

All imports and exports are shown where the amount exceeds $100,000, and round figures only are given. The record is based upon the 1923 trade figures. Manufacturers and others interested in foreign commerce are urged to save these compilations, which will run for twelve weeks and cover the principal countries of the world.

South America—Argentine

From Argentine, Canada imported $3,100,000 of goods representing 0.4 per cent. of our total imports. The principal imports were:

Hides and skins	$2,700,000
Wool	1,000,000
Tanning materials	1,000,000

To Argentine we sold $4,400,000 of products, representing 0.5 per cent. of our total export trade. The principal items were:

Automobiles	$1,400,000
Farm implements	800,000
Rubber tires	500,000
Lumber	500,000
Sewing machines	400,000
Iron, tubes, pipes and wires	100,000

British Guiana

From British Guiana, Canada imported goods to the value of $5,700,000 in the 1923 trade year or 0.7 per cent. of our total import trade. The principal commodities imported were:

Sugar	$5,500,000
Rum	100,000

We sold to British Guiana commodities valued at $2,100,000 or 0.2 per cent of our total exports. The principal exports were:

Flour	$1,100,006
Dried fish	200,000

Brazil and Peru

Our imports from these two countries totalled $6,100,000 or 0.8 per cent. of our total imports and the chief items were as follows:

From Peru:	
Crude petroleum	$3,800,000
Sugar	900,000
From Brazil:	
Coffee	1,300,000

We shipped to these two countries Canadian products valued at $2,400,000 or 0.2 per cent. of the total. The principal commodities shipped were:

To Peru:	
Nothing over	$ 100,000
To Brazil:	
Dried fish	700,000
Rubber tires	300,000
Automobiles	300,000
Sewing machines	200,000

Next week: Barbadoes, Jamaica, Trinidad, Cuba, San Domingo and other West Indies.

THE UNION BANK OF AUSTRALIA, Ltd.

Established 1837, Incorporated 1880.

Capital Authorized and Issued	£9,000,000
Capital Paid Up	£3,000,000
Reserve Fund	£3,350,000
Reserve Liability of Proprietors	£6,000,000

Head Office:
71 Cornhill, London, E.C. 3.

The Bank has 187 Branches, viz.:

In Victoria	43
In New South Wales	42
In Queensland	19
In South Australia	14
In Western Australia	20
In Tasmania	3
And in NEW ZEALAND	46

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Incorporated 1855
Capital and Reserve $9,000,000
128 Branches in Canada.

THE MOLSONS BANK

Prompt and Efficient

The service that The Molsons Bank extends to its customers is both prompt and efficient. Branches throughout Canada. Savings deposits of $1.00 and upwards invited.

Edward C. Pratt
General Manager

The Canadian-British Corporation Limited
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Development of Canadian Natural Resources and Industry

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4% Interest on Deposits
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RUPERT S. ALLEN, of the firm of W. H. Allen and Sons, Bedford, England, builders of high-speed engines, turbines, pumps, etc., was a visitor to Toronto en route to Vancouver.

A. J. LEWIS, of Major & Co., Hull, England, manufacturers of solignum, was in Toronto recently conferring with F. Sturgeon & Co., who are the English firm's Ontario representatives.

LEGAL

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SUGAR BEETS IN MANITOBA

WINNIPEG.—It is understood that the experiments in the growing of sugar beets in Manitoba this year are satisfactory so far, and the American Company which is behind them will next year go ahead with its plans for planting 10,000 to 12,000 acres with sugar beets and establishing a plant for the manufacture of sugar in the Winnipeg district.

PUBLIC DEMANDS THAT DEPOSITS BE SAFEGUARDED

A Change From Cry That Banks Will Not Lend

MERGERS IN FAVOR

Feeling That There will be Less Objection to Amalgamations If They Protect the Depositors

From Our Own Correspondent.

WINNIPEG.—The general banking situation continues a topic of lively interest, and throughout the West many financial doctors have arisen. It is not altogether surprising that radical suggestions have been advanced, ranging from the Swift Current Sun's primitive, "let a few presidents and general managers of such failures as the Home Bank rot in jail," to the growing demand for creation of further provincial banks. From Edmonton, in the passing week comes the prediction that out of the current upset will arise public approval of bank mergers as tending to banking solidity.

Alberta depositors in the defunct Home Bank for instance are said to be urging the provincial government to enter the banking business. Apparently they are unmindful of the Alberta banking commission's recommendation last season against a provincial bank experiment. The Edmonton Bulletin points out that this is "a new quarter from which to hear a demand for a provincial bank, and the motive is entirely different." The Bulletin goes on to state, "hitherto the proposal has been advanced that the province should establish such an institution that borrowers could get loans on less security than privately-owned banks demand. The Home Bank depositors evidently want an institution in which to put their savings which will not hand out money on such flimsy security as the privately-owned banks sometimes accept. The one demand is for easier credit and more of it; the other is for stricter requirements as to security and less credit."

No Good to Close Eyes

Bankers here admit that no good can come from closing eyes to the increasing demand for provincially-sponsored banks. The known activity of the Manitoba Provincial Savings Offices in this period of general banking uncertainty has demonstrated the public trend. British Columbia and Alberta have given fuller evidence. Both of these provinces have already encountered specific demand for establishment of provincial banks. Saskatchewan of the Western provinces remains in splendid isolation, indifferent to the current outcry. This is probably for the reason that the provincial government there has in the past steered a course away from government banks.

When a small community paper like the Spectator, at Moosomin Sask., expresses the opinion that "some way will have to be devised to create more confidence" in the banks "if runs like occurred with the Dominion Bank are to be averted," the evidence seems sufficient that the public's apprehensions have fully penetrated the rural parts of Western Canada. The Moosomin paper insists that for the Home Bank debacle "it is up to the Federal government to make good the losses of the depositors." The Swift Current Sun, urging indiscriminate justice, concurs and says, "for this particular case the Dominion government ought to pay every cent. of the deposit shortage, that is if the government knew the condition of affairs six months ago, and that can be easily established."

A New Cry Heard

There is a lesson for the West in the situation arising out of the Home Bank affair in the Edmonton Bulletin's opinion. For several years, as the Bulletin points out, the banking system has been under fire, particularly from the West, the substance of the complaint being that the banks were too niggardly about lending money, especially to farmers. In all of the West's complaints the object was the same—to make it easier for people to borrow money, and if the banks could not be brought to time by amendments to the banking law, then it was the duty of the government to provide a source from which funds could be drawn with less consideration to security and terms of re-payments than the tight-fisted bank directors in the far-off Eastern cities required!

"Just now the banking system is under fire, but from another quarter," the Bulletin explains. "Alike from the West and from the Eastern points there is a demand, quite as energetic as the previous one, that something be done to prevent the banks lending money where they please, and without ample security that it will be repaid. Formerly it was the would-be borrower who was in the lime-light. Now it is the depositor who is being heard from. It transpires, in the light of the Home Bank collapse, that the money which the banks dole out to borrowers—or refuse to hand over as the case may be—is not their money. It belongs to people who have deposited it with them for safe keeping.

"The directors of the Home Bank made a mistake, several of them, but in so doing they at least demonstrated that the banking system is not unduly restricted as to its liberty of action, and that so far from hoarding money the temptation to the banker is to lend as much as possible—and sometimes more than is safe. Hence the demand now is for regulations which will curtail the freedom of the banks in loaning; that is to say, which will make it necessary for them to give less easy, rather than more easy, credit. And that demand, it is in order to note, is coming from the people who own the money that the banks lend, and who could put the banks out of business by withdrawing their money."

Works for Mergers

Westerners will probably quicken to fuller appreciation of the wisdom of some bank mergers as an outcome of current banking developments. In view of the millions lost to depositors by the Home Bank collapse the Edmonton Bulletin forecasts that "there will be less objection in future when a Minister of Finance allows a weak bank to be amalgamated with a strong one."

"Bank mergers are not popular,' the Edmonton critic admits, "but bank failures are less popular. Hereafter a proposed bank merger may be more considerately regarded, as being probably the lesser of two evils."

Stricter government supervision is regarded in this part of the country as at least one of the remedies which must be applied, according to the Calgary Herald. But, as the Winnipeg Free Press point out, "if the government is going to control the banks it should do so under an act that would give it real authority."

EXPORTS GREATER IN SETTLERS EFFECTS

To United States Goods Going Out Were Double Value of Those Coming in

From Our Own Correspondent.

MONTREAL. — Settlers effects brought into Canada during the twelve months ending September had a value of $5,943,651. Settlers effects leaving Canada in the same period had a value of $9,959,018.

Whether this indicates greater emigration than immigration, or whether it merely tells the story of the wealth to be gained in Canada—wealth that makes the temporary "immigrant" richer when he leaves than when he comes—it is not a satisfying picture.

Settlers effects from the United States in the period had a value of $4,687,565, and settlers effects going back to the States had a value of $8,734,696.

The record of settlers effects to and from the United Kingdom was a great deal better. From the United Kingdom immigrants brought $1,098,086 of goods. Back to the United Kingdom went goods valued at $702,124.

Fiji Hopes Much From Canadian Communication

At the Imperial Economic Conference, the Duke of Devonshire, Secretary of State for the Colonies, referred to Fiji-Canadian trade. He said:

"Fiji has suffered from the loss of the Australian market for its principal export products, namely, sugar and fruit. But thanks to New Zealand, which now takes the bulk of the sugar crop, these islands, which are of great importance to our Imperial position in the Pacific, have passed the worst. I have recently learned with interest that there is an expectation of important new developments in trade and shipping communications between Canada and Fiji which cannot but be of mutual benefit to both. The demand for labor in Fiji exceeds the present supply, but the impetus of the new Canadian trade may attract both capital and labor to the South Pacific group.

Blue Sky Regulations in New Brunswick

From Our Own Correspondent.

ST. JOHN.—The investigation of the New Brunswick Telephone Company, pending the application of that company for permission to announce another stock issue, has not yet been made. The investigation was ordered by the New Brunswick Public Utilities Board under the administration of the blue sky law recently placed in operation in New Brunswick. S. H. Mildram, an auditor of Boston, who was engaged to make the investigation, has been unable to complete the work because of illness.

Two new applications for authority to sell stock have been favorably acted on by the board. Chateau Restigouche Company, of Campbellton, promoting a new hotel at Campbellton, N. B., and Farnham Bakeries, a baking concern of St. John, were granted the necessary certificates under the blue sky law.

LESS THAN 4,000 CAME TO CANADA UNDER BIG PLAN

Thousands of Good Immigrants Available if we go After Them

From Our Own Correspondent.

MONTREAL.—The Imperial Economic Conference in London will have served one good purpose if it finds a way to make the overseas settlement scheme of the British Government work. Although the British Government appropriated many millions of pounds in May, 1922, for the purpose of peopling the British Dominions with emigrants from the British Isles, less than 32,000 people had gone abroad under the scheme to the end of September. Of these 23,479 went to Australia, 4,502 to New Zealand, and only 3,851 to Canada. The actual cash expended by the British Government under the scheme amounted to £382,000 altogether, as against authorizations of £1,500,000 up to March 31st last, and £3,000,000 for the current financial year.

These results are decidedly disappointing and not only to the Dominions but to the British Government. The numbers who have gone overseas are infinitesimal in comparison with the needs of the movement. The assisted passage scheme under this plan was originally designed for the absorption of 50,000 people per annum by Australia, 10,000 per annum by New Zealand, and 17,000 per annum by Canada. In addition a settlement scheme with Australia was to provide for about 18,000, making a total of 95,000 a year. This is decidedly different from the actual figure of less than 32,000. There is no apparent prospect of 1924 doing any better than 1923.

Committee Badly Chosen

The trouble seems to be with the committee that had charge of the work in England. There are no business men or immigration experts on the committee. It is purely political in personnel. For instance, at the present time most of the members are in Australia studying immigration conditions there. Yet the chairman of the commission to Australia has announced that he intends to resign as soon as he returns to England. Evidently this Australian trip was in the nature of a political joy ride.

At the Imperial Economic Conference, Col. Buckley, parliamentary secretary of the Department of Overseas Trade, who is chairman of the overseas settlement committee, stated that there are something like 550,000 young people, rather more than half of them boys, leaving school and coming upon the labor market every year in England. These youngsters would provide the Dominions with the best material for the foundation of citizenship they require. He thought the present a peculiarly apt time for encouraging immigration overseas. This idea of Col. Buckley's has received the approval of such a high authority as General Bramwell Booth, the head of the Salvation Army, who pointed out that they have received many requests from Canada for such lads. General Booth stated: "We have 200,000 lads who have done little or no work since they left school. In the larger centres they quickly degenerate. These youths would be welcome to the new land. We recently sent 75 to Winnipeg and we received, chiefly from farmers in Manitoba, over 1,000 applications for them, and many were accompanied by remittances to cover the cost in the interval of traveling." General Booth pointed out that under the Empire Settlement Scheme the British Government would provide half the cost of their passage overseas. He said that Canada should find a way to assist the passage outwards of immigrants of such excellent stock.

Immigration of Women

Col. Buckley also pointed to several other types of immigration that might be encouraged. He said that the female population of Great Britain is larger than the male population and yet the emigrants are to a large extent men folks. Women are essential to settlement, he pointed out, and their immigration should be encouraged. The Empire Settlement Act which became law in 1922 empowers the secretary of state for the

(Continued on page 11)

Leave Home Capital For Farmer and Industry, Suggests Loan Man

If the government corrals the investment funds of the country by selling its issues in the domestic market, where is the money to come from to finance industry and public utility developments? This is the question many bond men and business men are asking themselves. Consideration of the problem has led many to the view that the government should encourage the importation of foreign capital into Canada by selling its larger issues in advantageous money markets outside of Canada, leaving Canadian capital for the development of the many enterprises that must spring up to keep pace with national development.

There is broader scope to the question, it seems from a letter addressed to THE FINANCIAL POST by the manager of a loan company in Ontario. This loaning officer, looking at the question from the farm angle, wonders if it would not have been better for Canada to have sold its loan abroad. Then there would have been more Canadian capital available for farming and for commercial and industrial enterprises.

The letter is from D. Whyte, manager of the East Lambton Farmers' Loan and Savings Company of Forest, Ontario, and touches the problem from the farmers' standpoint more particularly. It reads:

"A great deal of satisfaction is being expressed at the way the people of Canada have bought the recent Dominion and Ontario loans. The city press point to this as a sure sign that we are prosperous.

"I am not sure but it would have been better for Canada had these loans been secured abroad. Then there would be more Canadian capital available for farming and for commercial and industrial enterprises.

"If farmers and other business men could secure long term loans at five per cent. there would be more inducement to engage in farming than there is at present.

"Money for farm mortgages costs the borrowers from 6½% to 7%, which is more than he can afford to pay, and at the present rate of borrowing the loan companies have not much margin at 6½%.

"The prosperity of the whole country depends on the farmer. Can you figure out a way to give him a square deal?"

THE ROYAL BANK OF CANADA
Statement to the Dominion Government (Condensed)
September 29th, 1923
Head Office MONTREAL

LIABILITIES.	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,007,514.19
Notes in Circulation	31,364,391.54
Deposits	413,701,672.59
Due to other Banks	16,697,627.89
Bills Payable (Acceptances by London Branch)	3,766,674.89
Acceptances under Letters of Credit	5,958,827.77
	$513,296,708.87
ASSETS.	
Cash on Hand and in Banks	$101,933,934.54
Deposit in the Central Gold Reserves	11,000,000.00
Government and Municipal Securities	48,731,045.58
Railway and other Bonds, Debentures and Stocks	10,587,702.99
Call Loans in Canada	18,962,104.21
Call Loans elsewhere than in Canada	33,045,394.63
	$224,260,181.95
Loans and Discounts	266,526,054.82
Liabilities of Customers under Letters of Credit as per Contra	5,958,827.77
Bank Premises	13,089,394.26
Real Estate other than Bank Premises	2,044,148.86
Mortgages on Real Estate sold by the Bank	398,101.21
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$513,296,708.87

683 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL, and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
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Stocks and Bonds
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Mortgage Loans
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Selling Securities Economically

In one day Toronto handled over 1,150 Long Distance calls for Investment houses alone. Seven of these Investment houses sold $1,266,000 worth of bonds at a total cost of $71.65 for Long Distance calls.

Selling or buying by Long Distance at low cost seems to give as consistent satisfaction to the most modest trader or store-keeper as it does to the largest sales organization.

Each new telephone installed adds to the value of YOUR Service.

THE BELL TELEPHONE CO. OF CANADA

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Herbert Tareyton
Tareyton Smoking Mixture
Awarded Gold Medal
Panama Pacific Exposition 191
"There's something about it you'll like"

Diversified Investment

A $1,000 bond of each of the following five investments would cost $4,914.80 plus accrued interest and give an average income return of 5.74%.

DOMINION OF CANADA
5% Bonds, due 15th October, 1943.
PRICE: 98¼ and interest to yield 5.14%.
PROVINCE OF ONTARIO
5% Bonds, due 15th October, 1948.
PRICE: 98 and interest to yield 5.14%.
PROVINCE OF SASKATCHEWAN
5% Bonds, due 15th June, 1943.
PRICE: 95.73 and interest to yield 5.35%.
NORTHERN CANADA POWER LIMITED
6½% First Mortgage Bonds, due 1st June, 1938.
PRICE: 99½ and interest to yield 6.55%.
P. BURNS & COMPANY, LIMITED
6½% First Mortgage Bonds, due 1st January, 1943.
PRICE: 100 and interest to yield 6.50%.

DOMINION SECURITIES CORPORATION LIMITED
HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

News and Views for Investors

DELAYED DIVIDENDS MAILED

After long delay, due to injunction proceedings, the Minneapolis, St. Paul & Sault Ste. Marie Railway Co. has mailed to shareholders dividend cheques for 2 per cent. on the preferred and common shares of record on the original dates.

STEEL OF CANADA

Steel of Canada issues sprang into prominence in the trading on the Toronto Stock Exchange, doubtless as a reflection of the extra dividend announced by the United States Steel. Steel of Canada, common, advanced 1⅜ to 67, and the preferred a point to 99.

PORT HOPE SANITARY

Port Hope Sanitary preferred is to be retired. The shareholders have approved of the proposal. Half will be taken up between now and Nov. 15. The company has been enjoying a good business throughout the present year, but there is now the usual seasonal decline in activity.

REBUILD ALCOHOL PLANT

Work is progressing on the rebuilding of the Canadian Industrial Alcohol Co.'s plant at Corbyville, Ont., which was destroyed by fire in June. Seven new buildings, including two warehouses with a storage capacity of 20,000 barrels, are being erected at an outlay of approximately $175,000. One of the large buildings is planned to be completed by the middle of November, and the other by Dec. 15.

SOUTHERN CANADA POWER

One of the most successful ownership campaigns that has yet been handled on the Canadian security markets is instanced by the success of the offering to the customers of the Southern Canada Power Company. The offering consisted of 4,000 shares of preferred stock, and the intention was to keep the campaign over for ten days. The first day over 2,000 shares has been subscribed, and as there were indications of an early oversubscription, it was decided to close the campaign at short notice. Altogether, orders were received for 5,393 shares when the books were closed two and a half days after the opening, and subscriptions were still coming in.

MAPLE LEAF

Maple Leaf common showed a bad weak spot when on trading of 25 shares the market price broke from a high of 68 for the week previous to 61. The sale of the one small block was the only trading in the issue. The preferred at the same time took a drop of 2½ points to 83½ on sales of 60 shares. No change in the company's affairs has taken place to cause this weakness. As was to be expected Ogilvie moved up 5 points to 300. Ogilvie and Maple Leaf invariably move contrary to each other.

MOUNT ROYAL

"Operations of the Mount Royal Hotel since the opening in December last and during the nine months' period of the current year which terminated on October 1, have been of a character unprecedented in the hotel business, and I believe, without parallel," was the comment of F. A. Dudley, president of the United Hotels of America.

"During the period from the opening to October 1, out of the earnings we have paid all operating expenses, earned the interest on the $4,000,000 mortgage debentures, earned the dividend on the preferred capital stock, and yet possess a sum to the good of $12,000. In view of the circumstances under which operations were continued throughout the first part of the year, that is a result never before equalled in the hotel business."

Regarding the question of payment of a dividend, Mr. Dudley said: "It has been decided to await the results of operations during the month of November, and if the business transacted during that time equals anticipation, then there will be a meeting in December to effect a decision."

WINNIPEG ELECTRIC

Will the franchise of the Winnipeg Electric Railway which expires in 1927 be renewed or will the city take over the system? It will be remembered that the negotiations for an extension of the franchise were dropped last spring, at the time when the company was doing some financing.

It should be understood, however, that the street railway franchise is really perpetual, but the city has the right to purchase the street railway in 1927, on six months' notice, by arbitration on valuation as a going concern, or if the city does not exercise this right, the franchise automatically is renewed for 5-year periods.

It is also understood the company has increased its power load in the light and power department.

The street railway owed Winnipeg $778,643 earlier in the year, but, according to the Financial Service, this has since been taken care of and the company now have a large balance of cash on hand.

The company have made a few extensions to the street railway line this year. They have also double-tracked some of the streets.

CITY DAIRY

City Dairy common closed last week's trading at 150¼, opened the present week at 152, jumped to 158 and back to 155 in three days and on trading involving 135 shares. The rise is said to be due to the good earnings of the year. The most active part of its season has now been brought to a close, and it is understood to have been particularly successful, both from the standpoint of the amount of ice cream and dri-milk sold, as well as in the turnover of its main commodity. The company's fiscal year terminates with the 31st of December, and there is reason to believe that it will compare favorably with any that have preceded it. The company this year and last has paid 10 per cent. on the common, and, at 158, there is a return to the investor of 6.32 per cent.

C. G. E. ABSORPTION

The proposal now in the hands of the shareholders of the Canadian General Electric Company regarding the passing of control to the General Electric Company of Schenectady is an interesting one. The announcement as sent out, however, fails to stress one or two points. The phrase, "The acceptance of this offer by a sufficient number of shareholders," leaves a vague impression heightened by the New York report that the American company already has control of the Canadian company. The question raised by Montreal interests as to what, if any, extra price the directors or officials may have received for their shares is hardly admissable as the offer is made freely to all shareholders and is considered a fair price—certainly in advance of the market. A point that has been overlooked in judging the worth of the offer is that shareholders now have a firm bid to sell for cash at $62.50 a part or all of the 20 per cent. of bonus stock issued last year. The letter to the shareholders states the offer is contingent upon a sufficient number of the present shareholders accepting and thus granting to the American corporation the requisite holding, it is not to be doubted that some of the larger interests have signified their willingness and the directors are therefore assured of the ultimate completion of the negotiations.

UNLISTED SECURITIES

	Bid	Ask
Alta. Pac. Grain 7% pfd.	88	92
Do., com	100	105
British American Assur.	6.00	7.00
Can. Assoc. Goldfields	7	11
Canada Mortgage	65	..
Can. Westinghouse 8% c.	131½	..
Continental Life	108	..
Commercial Finance pfd. 25% bonus com.	60	68
Canada Machinery, pfd.	..	37
Canadian Marconi Wireless	1.35	1.60
Cockshutt Plow 7% pfd.	45	..
Canadian Oil Co., pfd.	90	95
Do., com.	39..	43
Collingwood shpbld. com.	55	65
Cosgrave Breweries	5	5½
Dom. Power & Trans., pfd.	95	..
Do., com.	38	42
Dunlop Tire 7% pfd.	83	86
Durant Motors of Canada	5½	6½
Dominion Mfg. pf.	58	..
Dominion Linens, pfd.	50	60
Do., com.	5	..
Dom. Sewer Pipe, com.	24	30
English Electric ,pfd.	45	50
Do., com	5	10
Excelsior Life	31½	..
Farmers Dairy	51	..
Famous Players, 7% pf., 50% com.	57	60
Gunns, Limited, 6% pfd.	25	27
Great West Life	220	..
Imperial Tobacco, com.	5½	6½
Inter Milling Co. pfd.	..	96
K. & S. Tire, 7% pfd.	25	30
La Paz Oil	..	25c
Lambton Golf Club	425	475
Loew's Toronto, pf.	54	60
Do., com.	30	34
Loew's London, pfd.	5.00	6.00
Do., com.	1.50	2.25
Loew's Buffalo, pfd.	55	58
Do., com.	1.00	1.50
London Loan & Savings	46	51
Manufacturers' Life 20% p.	50	56
N. Mexico Pwr. & Dev., c.	9	12
National Brick, pfd.	50	53
Do., com.	12½	15
National Life $25 paid	50.25	..
N. Can. Pwr. com.	42	49
Ont. Equit. Life (25+$10 paid)	17	25
Peoples Loan & Sav. Co.	..	63
Pantages, Hamilton 7% pf.	33	..
Do., com.	1	2
Robertson P. L. Co.	15	25
Rolph Clark Stone, com.	15	..
Simpson, Robt. 6% pfd.	88	91
Sovereign Life	18	..
Sun Life Assurance	140	..
Trust & Guarantee	73	76
Tiger Tire (1 pfd., 2 com.)	..	20
Western Grocers, 7% pfd.	..	35
Western Assurance	6¾	7½
Crown Life	90	..
Hayden Gold Mines	20	40
Loew's Ottawa, com.	..	75
Mikado Cons. Mines	03	05
Southern Can. Pwr., com.	48	49
Sterling Bank	87	91
Capital Life, 20% pfd.	20	..
Can. Machinery com.	7	9
Imperial Oil	94	98
Loblaw Groceteria, 2nd. pfd.	..	150
Toronto Finance, pfd.	4	6
Do., com.	1½	2½

BUSINESS FACING RECESSION BROKERS SAY MARKET SHOWS

Pronounced Weak Tendency Has Continued During Week

BANKS STRONG

Only Group That Showed Any Real Strength—Declines Were Only Fractional

An irregular market with a pronounced weak tendency has featured the trading of the week. Gains in the list of the various groups were most infrequent. The situation in New York continues its depressing effect. Some brokers have been looking for an improvement. They thought they could see signs of a change coming. Others laugh at the idea. There are the extreme pessimists. They say there will not be a decent market in New York until the next presidential election.

The table which appears below indicates that the industrials were the weakest of the lists. This, broadly speaking, would take in the milling and steel stocks as well. The paper group was equally weak, while traction issues and utilities were unchanged or lower with few exceptions. The bank stocks were the brightest group of the Montreal and Toronto lists, leading the week with five gains, as many unchanged and three fractional losses.

The figures:

Group	No. Stks.	Gns.	Loss.	Unc.
Paper	12	2	7	3
Industrial	26	5	4	17
Utility	7	2	3	2
Traction	8	1	5	2
Specialties	8	1	0	7
Steel	4	0	0	4
Textiles	9	1	5	3
Milling	3	2	1	0
Banks	13	5	3	5
	90	19	28	43

There is a great deal of disappointment manifest that there has not been a fall market. Such a market has been usual. Brokers seem agreed that the absence of a good market is just a discounting of a period of lesser business activity.

Moody's, of New York, points out that while the foreign trade has discounted the European chaos, the further delay in a revival of this business seems to be the worst than can be expected. Yet, says Moody's:

"Yet stock prices are clinging tenaciously to their recent low levels. It is usual in times like these for the stock market to hold firm through October owing to the supporting influence of the Autumn trade; but this special trade activity terminates early in November. How well the stock market will hold in November in the absence of the bracing influence of the Fall trade is an open question."

Bache Review takes a somewhat similar view. They also predict a decline in business. Their view of the market follows:

"The decline in the stock market since last March seems correctly to have been forecasting a period of lesser activity in business. The security market has readjusted itself in advance to such an outcome, and there would not now appear to be happenings ahead to cause anything like sharp breaks or serious conditions, in securities. On the contrary, prices of securities, in some lines of business, have more than discounted eventualities. The present irregular movements of the market at the lower levels, and the dullness now prevailing, would seem to presage similar phenomena in the business field later on and for some more or less extended period. There is nothing in the situation to prevent discriminating investment in proven and permanent dividend payers, which, at present prices, show good income yield."

MONTREAL.—The stock markets have not yet discounted prospects of improved business throughout the country and in view of the rather high prices that were reached by most securities in the spring, many brokers are wondering if improved business would bring about higher prices for securities. For the moment the declaration of the extra dividend on United States Steel proved a strengthening factor even for Canadian markets but only to the degree that would affect speculative traders.

Bond dealers are finding sales far from brisk, although the turn of the month with the large sums of money that will be available for investment should decidedly improve activity.

ANOTHER LARGE SILVER NUGGET

Last week a huge nugget weighing 2,005 pounds which should net its owner between $11,000 and $12,000 was found in Gillies Limit. Now there are reports that another and larger one has been found on the boundary of two properties. Many smaller nuggets have been found of late in the limit.

BARCELONA TRACTION

In its statement of earnings for the month of September, the Barcelona Traction, Light and Power Co. shows gross amounting to 3,984,372 pesetas, as compared with 3,810,785 pesetas for the same month in 1922, an increase of 173,587. Operating expenses were higher at 1,659,245 pesetas, against 1,558,455, while net at 2,325,127 pesetas was higher by 72,797. Aggregate gross for the first nine months of the year at 37,091,354, showed an increase of 3,457,673, and the aggregate net at 20,822,765 pesetas compared with 20,263,877. The following figures show the gross, net and net increase for the nine months:—

	Gross (pesetas)	Net (pesetas)	Net inc. (pesetas)
Jan., 1923	4,855,464	2,228,751	*291,060
Feb.	4,495,111	1,953,656	*389,884
Mar.	4,329 771	2,383,780	*115,275
April	4,264,756	2,725,656	449,448
May	4,102,048	2,600,937	640,713
June	3,711,837	2,510,159	421,985
July	3,521,912	1,860,456	*266,744
Aug.	3,826,083	2,234,243	36,908
Sept	3,984,372	2,325,127	72,797

*Decrease.

Two Millions Asked For London Railway

So far no agreement has been reached as to what price the city of London shall pay for the street railway. Sir Adam Beck, who has been carrying on negotiations for the city, along with company representatives and members of the provincial cabinet, held a meeting to try and reach an agreement. They failed. Concessions made were all on the part of the company. The latter asked $2,000,000 for the system and Sir Adam offered a little over a million. The company made some cuts in its price, but there the matter stands. Another conference will be held later.

OTTAWA'S CHEAP FARE IS DOOMED

Company Losing Money by it—Will Not Make Extensions if Maintained

OTTAWA.—The Street Railway Company has definitely refused the city's request to build the needed extensions with the elimination of the Sunday tickets and maintaining the 8 for twenty-five cent limited hour tickets. The company wants a straight five-cent fare as the basis of a new 5-year agreement.

In the meantime the city is looking to see what it can get out of the company in the way of taxation. The assessment commissioner estimates that this amounts to $45,902. Under the old agreement the city taxed only the real estate, buildings and water lots. The city now proposes in addition to impose business tax and tax on poles, wires and machinery.

The company strongly contends that this view is not correct. Mr. Burpee announced that the company held that all privileges of taxation held under the old agreement are continued for another five years. Later in the meeting, Mr. Burpee took occasion to say that one additional reason for the city and company attempting to reach an agreement was that this question of additional taxes would be fought by the company, in the event of an agreement not being reached, right up to the Imperial privy council. These legal proceedings would be very expensive for both sides. The company held very strongly that there was no warrant whatever in law for the city imposing the extra $45,000 taxes yearly.

The company's contention that it cannot give 8 tickets for 25c. is supported by the statement that an average of one cent. is lost on all passengers carried at that rate. The elimination of this rate means $70,000 additional revenue. The company is undertaking to spend between one and one and a half millions. The abolition of the limited fares would only about pay interest on this expenditure for the first year.

NATURES POWER FOR INDUSTRY

Earnings Three Times Interest Charges

Earnings for year beginning July 1st, 1923, are estimated to exceed $875,000, almost three times the interest on this issue.

Quebec Power Company
6% First Mortgage 30-Year Sinking Fund Gold Bonds

Through its subsidiaries the Company controls all the distribution of electric energy in the Cities of Quebec, Levis and surrounding territory. It also controls and operates the Street Railway service in Quebec and a gas production and distribution service with a capacity of 1,000,000 cubic feet per day. Net assets securing this issue amount to $11,500,000.

The Shawinigan Water & Power Company owns the majority of the combined Preference and Common Stock.

Price 95 and interest to yield about 6⅜%

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	Due	Price
Dominion of Canada—		
5% Bonds, (Refunding Loan of 1923)	Oct. 15, 1943	Mkt.
Canadian National Railway—		
5% Equipment Bonds *Unconditionally guaranteed by endorsement by the Dominion Government*	Aug. 1, 1938	98.25
Metropolitan Commission of the Island of Montreal—		
5% Bonds	Nov. 1, 1942	98.15
Province of Ontario—		
5% Bonds	Oct. 15, 1948	98.00
City of Quebec—		
Roman Catholic School Commissioners 5% Bonds *Guaranteed by endorsement by the City of Quebec*	May 1, 1960	98.34
Maple Leaf Milling Co., Ltd.—		
6½% First Mortgage Bonds	Aug. 1, 1943	101.00
West Kooteney Power & Light Co.—		
6% General Mortgage Bonds *Unconditionally guaranteed by endorsement by The Consolidated Mining & Smelting Co. of Canada, Ltd.*	June 15, 1943	100.00

Orders may be telephoned or telegraphed at our expense, and the Bonds will be delivered free of all delivery charges.

The National City Company
Limited

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P. Burns and Company, Limited
CALGARY, ALBERTA
Balance Sheet as at 30th June, 1923

Current Assets	$5,069,163.48	Current Liabilities	$1,169,591.73
Agreements of Sale Receivable	272,331.05	Mortgages and Agreements of Sale	22,032.62
Investments	828,541.23	Funded Debt	3,494,500.00
Fixed Assets	7,233,389.87	Reserves for Depreciation, etc.	2,141,988.58
Deferred Charges	522,587.63	Capital and Surplus	7,097,900.33
	$13,926,013.26		$13,926,013.26

ADDED RENTALS

Time of itself is an abstract thing, but there is nothing abstract about it when it takes the form of RENT. We really sell additional rentals to our clients in the form of swift completion dates punctiliously kept.

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Building Construction

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50 Loew's Windsor Pfd.
50 Loew's London, com.
100 Loew's London Pfd.
10,000 Can. Assoc. Goldfields.

Will Sell
100 Cosgrave Brewery.
25 K. & S. Pfd.
50 K. & S. Com.
3,000 K. & S. 7% Bonds.
25,000 Can. Assoc. Goldfields.

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BANK OF TORONTO BUILDING
TORONTO

DULUTH-SUPERIOR

Gross revenues of the Duluth-Superior Traction Co., for the third quarter of this year amounting to $455,242, showed an increase of $4,334 over the corresponding period last year. Operating expenses at $356,087 were higher by $20,793, with the result that net revenue at $99,155 showed a falling off of $16,458, while net income amounting to $25,928 was lower by $14,211. Net income for the first nine months of the year at $75,496 compared with $52,963 last year, an increase of $22,533.

L. SUPERIOR CORP. SUBSIDIARIES LOST MONEY LAST YEAR

Small Profit 'on Operations' But Bond Interest is Heavy

Algoma Central and Hudson's Bay Railway and Algoma Central Terminals' total deficit for the year ending June 30 last was $715,637. Some interest was paid the Terminal Company bondholders, but none to the railway bondholders. Receipts for the year were $2,154,300, and expenses $2,116,302, leaving a net of $37,998, as compared with a 1922 deficit of $95,403. The total bond interest to be met was $753,635, and $27,532 was paid on the Terminal Co. bonds, the amount due on this issue being $149,781.

On the year's operations the railway showed a loss, gross receipts being $349,676 higher, but expense was also up to $321,020. Steamships did better, the revenue increase being $89,850, due to the higher tariffs, while overhead declined $24,093. Handling pulpwood has proven profitable and promises to continue so. The Algoma Steel plant was partially closed a good part of the year, owing to the absence of orders. This reacted on the railway company, as the Algoma Steel Corp. is its principal customer. Considerable numbers of claims for gold and other minerals on the company's land are still being recorded and development work is carried on by prospectors at two or three of the promising mines. Land sales to the value of $25,829 were made during the year. Various proposals have been made for the purchase of large blocks of the company's lands, but so far no negotiations have been concluded. Wages have had to be increased, but expenses are being kept down as low as possible consistent with the necessary upkeep of the property. Heavy repairs have been necessary to rolling stock, bridges, etc., and certain sections of the road have been renewed during the year.

As regards the Lake Superior Corporation and its guarantee, the matter has not materially altered since the last report of the bondholders' committee. In view of the position of its subsidiaries, whose income it is dependent on, it has not been found advisable to take further steps at present.

DELAY WINDING UP OF LOAN COMPANY

Purdom Interests Would Have Court Replace Huron and Erie as Liquidator

Another phase of the Dominion Loan and Savings situation at London came to the front this week when a meeting was held to test out the feeling of the shareholders in regard to the disposal of the balance of the assets of the concern, which have been gradually liquidated by the Huron and Erie. The latter company was advertising the sale of the Dominion Savings office building, and a block of shares of the Northern Life involving control of that company. When the shares were advertised, the T. H. Purdom interests secured an injunction to stop the sale. The outcome of the meeting showed the majority of the shareholders present in favor of the Huron and Erie immediately proceeding to wind up the concern. On the other hand, in the matter of shares, the majority was in favor of the Purdom interests, they voting the stock which the Huron and Erie refrained from voting. Judge D. C. Ross, St. Thomas, acting supreme court judge, presided, and he must now make a ruling as to whether or not the sale will go on or whether a new liquidator will be named.

The Huron and Erie has realized $660,000 on the sale of Dominion Savings assets, and has further assets of $584,000. Liabilities stand at $250,000, leaving a surplus of $334,000 for the shareholders. Those opposing the winding up declare not less than $500,000 should be realized for the shareholders.

Tiger Tire and Rubber Company, Limited, Making Good Progress

The Tiger Company's factory at Belleville is manufacturing Tires, Tubes and Tiger Leak-Proof Shields on a very satisfactory daily production for this season of the year.

The management of the company report the most satisfactory results to the users of the Tiger Leak-Proof Shields during the past season. A large volume of sales in this special production is assured for the coming season. (Advt.)

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Banks Have Been Forced to Call Loans; No Private Funds Available for Brokers

From Our Own Correspondent

MONTREAL.—Some of the banks that have been in the call loan business in a small way have dropped their activities in this regard, leaving the call loan field to the few large banks. The situation is one of distinct difficulty for brokers who are finding it hard to get the money they need to carry on their business. Typical is the position of one of the smaller Montreal brokers who had $75,000 loaned to him by one of the banks, only to have $50,000 of that amount called in this week, leaving him with an entirely inadequate sum to finance his transactions.

Matters have been made worse by the fact that the private money that it usually offered in the "street" at this time of the year, pending dividends and income taxes, has gone to purchase bonds of the recent Dominion and Province of Ontario loans and the floating supply of money has therefore been still further cut down.

At this time of the year the banks transfer large sums of money to the West to finance the crop movement, and in the face of substantial withdrawals of savings deposits and the lack of outside funds have had to restrict their call loan activities.

A source of money for call loans that was formerly in evidence has disappeared: American banks and institutions. When the exchange premium was around 15% many United States banks and large industrial organizations with surplus funds transferred these to Canada and loaned the funds on call throughout Canadian banks. The Canadian bank borrowers paid 7%, of which 6% went to the American lenders and 1% to the Canadian bank that loaned the money and guaranteed its repayment. But there is no exchange attraction now to assist this movement and the money is not coming.

The Savings Deposits of the Banks

The following summary of savings deposits figures for the Canadian chartered banks, showing the change last month, for two months and for the year, is interesting, not only in regard to the totals, but in reference to the figures for the individual institutions:

Name of Bank	Sept., 1923	Aug., 1923	Change	Compared with July	Compared with Sept., 1922
Montreal	$288,971,280	$288,552,452	+$ 418,828	+$ 217,038	+$12,902,453
Nova Scotia ..	106,718,246	105,828,113	+ 890,133	+ 956,021	+ 4,529,712
Toronto	46,068,484	46,233,102	— 164,618	— 604,529	+ 3,035,185
Molsons	40,189,482	41,326,324	— 1,136,842	— 1,493,418	+ 19,285
Nationale . ..	27,312,595	26,644,780	+ 667,815	+ 1,019,211	+ 2,150,519
Provinciale . .	23,288,362	23,348,658	— 60,296	— 427,060	+ 690,744
Union	53,749,011	57,352,077	— 3,603,066	— 6,051,251	— 6,012,002
Commerce . .	159,712,380	158,537,704	+ 1,174,676	+ 437,596	+ 10,443,008
Royal	182,704,838	183,742,428	— 1,037,590	+ 2,019,033	+ 10,939,137
Dominion . ..	63,196,146	63,966,742	— 770,596	— 1,410,969	+ 409,276
Hamilton . .	336,498,627	38,046,927	— 1,548,300	— 2,905,514	— 3,203,034
Standard . ..	35,530,344	38,924,574	— 3,394,230	— 7,592,432	— 6,101,820
d'Hochelaga ..	45,301,522	44,701,236	+ 600,286	+ 833,450	+ 4,130,839
Imperial . . .	58,264,792	60,847,425	— 2,582,633	— 4,721,955	— 1,246,816
Sterling . . .	9,809,326	10,524,383	— 715,057	— 1,563,467	— 1,032,067
Weyburn Sec..	1,388,070	1,411,951	— 23,881	— 60,702	+ 325,942
Total	$1,178,703,505	$1,189,988,876	—$11,285,371	—$21,348,851	+$31,980,361

La Banque d'Hochelaga .. Gives Lie to Rumours

From Our Own Correspondent.

MONTREAL.—When the depositors of the Home Bank in the suburban area of Hochelaga met the other day the newspapers headed the item something like this: "HOCHELAGA BANK DEPOSITORS MEET." Many people, reading this hurriedly, became apprehensive of the condition of La Banque d'Hochelaga and there were some withdrawals of savings depositors. But the bank met the situation squarely this week by issuing a statement signed by the president, directors and general manager in which assurance was given that the financial position of the bank has never been stronger; that no loan that is not as well secured has been taken into the statements of the bank; and that the directors are large shareholders and still hold their stock. The statement concluded: "The above statement is the truth. The position of the Bank of Hochelaga is excellent. However, should some depositors wish to withdraw their money we will reimburse them without hesitation or difficulty."

The Sterling Bank Has Ample Liquid Assets

In the current issue of "The Teller," published by the staff of the Sterling Bank, opportunity is taken by the general manager of that institution to discuss the financial position of the Sterling. In dealing with this phase of the situation, he says:

"For a period of years, our policy has been to carry 50 per cent. of our deposits in the highest class of Canadian Bond it is possible to purchase. This resulted in our holding at the end of our fiscal year on the 30th of April last, approximately $12,000,000 of Dominion, Provincial and Municipal securities of the highest grade. These securities added to our cash reserves gave us $15,000,000 cash and securities which represented immediate reserve available at any time to meet our total liability of $21,900,000. Such is the splendid position of our liquid assets."

Mount Royal Earned Enough for Preferred

From Our Own Correspondent.

MONTREAL.—Mount Royal Hotel did a little better than earn the preferred dividend in its first nine months of operation. The directors have issued a letter stating that they hope to put the preferred on a permanent dividend basis on or about the new year.

A statement of earnings has been issued as follows:

Net to Dec., 1922		$ 4,974
Gross, Jan. to Sept., 1923		1,992,484
		$1,997,458
Operation expense		1,294,849
		$ 702,609
Depreciation		75,000
Net operating		$ 627,609
Fixed Charges—		
Bond interest	$209,999	
*8% debenture int. to to June, 1923	268,804	
		478,803
Net earnings		$ 148,805

*Converted to preferred stock after July 1, 1923.

This statement is analyzed by the directors to indicate that the company earned, in the nine months, its operating charges, set up a depreciation fund, provided for loss on inventories, paid interest on debentures and earned about $12,000 in excess of dividend requirements.

STOCK MOVEMENTS OF THE WEEK

Week Ending Oct. 30

	Div. Rate	High	Low	Close	Close Oct. 23	Sales
Banks—						
Commerce	12	186	184½	186	185	136
Dominion	12	185	185	185	185	146
Hamilton	12	180	179¾	180	179½	41
Hochelaga	10	144	142	142	145½	45
Imperial	12+1	169	168	169	168	8
Molsons	12	156½	156	156	156	41
Montreal	12	231	231	231	231	94
Nova Scotia	16	253	252	253	253	29
Royal	12	215½	215	215	216	44
Standard	12	166	165	165	166	138
Toronto	12	174¾	174	174¾	174	29
Union	8	107¾	107	107	107	57
Industrials, Utilities, Etc.—						
Abitibi, com.	4	61	58¾	59¾	61½	1931
Do., pref.	7	100	100	100	99½	15
Amer. Salesbook, pref.	7	89	89	89	88	40
Asbestos Corp., com.	4	44	43½	43½	43	223
Do., pref.	6	70¼	70	70¼	70	120
Atlantic Sugar, com.		16¼	16	15¾	16¼	105
Barcelona Traction		15¾	15	15¾	16	95
Bell Telephone	8	123½	122¼	123	123½	521
Bird & Son, pref.	7	90	90	90	90	20
Brazilian Traction	4	41¾	40	40¾	41¾	3048
B. E. Steel, com.		5	5	5	5	626
Do., 1st pref.	7	57⅛	57	57	57	200
Do., 2nd pref.		15⅜	14½	14½	14⅞	993
Brompton Pulp		40½	37¾	38¼	40	2200
Canada Bread, com.		62½	61	61	62½	65
Do., pref.	7	94½	94½	94½	94½	29
Can. Car & Foundry, com.		21	21	21	20	350
Do., pref.	3½	68¾	67¾	67¾	69	332
Canada Cement, com.	6	86	85	85½	85	1211
Do., pref.	7	104½	103¾	104	104	186
Canada Steamships, com.		12	11	11	12¼	352
Do., pref.		46⅜	44¼	44¼	46½	662
Can. Con. Cotton, pref.	8	84	83½	83½	84	100
Can. Converters	7	82½	79	82	83	390
Can. Cottons, com.	8	103	103	103	104¾	25
Do., pref.	6	89	88	88	88½	49
Can. Foundries, com.		25	25	25	25	90
Do., pref.		45	45	45	55	50
Can. General Electric, com.	6	111	108⅞	109¼	109⅛	6439
Can. Locomotive, pref.	7	88	88	88	90	5
Can. Pacific Railway	10	147¼	145	147¼	145	130
Canadian Salt	8	112½	112	112½	112	50
Can. Woollens, pref.		37	37	37	47	100
City Dairy, com.	10	158	152	155	150¼	135
Do., pref.	7	105	105	105	105	30
Consumers Gas	10	161	160	160	162	139
Crows Nest Coal	6	48	48	48	48	35
Cuban Can. Sugar, com.		5½	5	5	5	225
Do., pref.		26½	26	26⅛	26½	195
Detroit United Rly.	6	68½	67½	68	68½	521
Dominion Bridge	4	63	60	60	63½	137
Dom. Canners, com.		26	25	26	27	110
Do., pref.	7	80	80	80	80	40
Dominion Glass, com.	7	94¼	93½	93½	94	200
Do., pref.	7	105	104	104	104	25
Dom. Radiator, pref.	7	98	98	98	99⅝	17
Dom. Steel Corp., pref.	6	71	70	70	71½	95
Dominion Telegraph	6	42	42	42	41	10
Dom. Textile, com.	4	63¾	63	63¾	63⅛	186
Do., pref.	7	110	109½	110	109	10
Duluth Superior		40	37	37	40	155
Eastern Theatres, com.		10¾	10¾	10¾	11¼	25
Goodyear Tire, pref.	7	76½	72	76½	74	121
Illinois Traction, com.	50c	60	60	60	60	92
Do., pref.	6	89¾	88½	88½	91	14
Kaministiquia Power	8	125	125	125	124	90
Lake of Woods Milling, com.	12	170½	168½	168½	170	77
Do., pref.	7	117	117	117	117	2
Laurentide Paper	6	90	88¼	89	90	885
Mackay, com.	7	112	110⅞	111	112½	299
Do., pref.	4	67	67	67	67	110
Maple Leaf Milling, com.		61	60	60	68	25
Do., pref.	7	86	83½	83½	86	60
Montreal Cottons, com.	6	100	100	100	106	2
Montreal Light, Heat, Cons.	6	129½	128	129¼	129½	747
Montreal Telegraph	8	52	52	52	57¾	2
Montreal Tramways	10	145	145	145	150	5
National Breweries, com.	4	53⅛	52		52	1198
Ogilvie Flour, com.	12+10	300	300	300	295	100
Do., pref.	7	117	117	117	116	10
Ontario Steel Products, pref.	7	89	89	89	90	5
Ottawa Light, Heat	6	81½	81	81	81	27
Pacific Burt., pref.	7	99	98	98	99	30
Penmans, com.	8	148	147	147	147	95
Port Hope Sanitary, com.		50	50	50	50	15
Price Bros.	2	40¼	40	40¼	42	130
Provincial Paper, pref.	7	94½	94	94	94	34
Quebec Power, com.		64	64	64	64	96
Do., pref.	7	91	90⅛	90⅛	90⅜	8
Rogers, Wm., com.		54	54	54	50	10
Shawinigan Water & Pr.	7	118	117¼	117¾	118	105
Sherwin Williams, pref.	7	101	100¾	101	100¼	115
Spanish River Pulp, com.	7	88	86	86	88⅛	697
Do., pref.	7	98¼	97	97	99	322
Smith, Howard, Paper, com.	6	68¼	65	65	68½	325
Do., pref.	8	98¾	98¾	98¾	97¾	5
Steel of Canada, com.	7	66¼	65⅜	65¼	66	453
Do., pref.	7	99	97¾	99	99	85
St. Lawrence Flour, com.	6	60½	58¾	59	60	692
St. Maurice Paper	6	102	101⅞	102	105	200
Toronto Railway		80¼	79½	79½	80	400
Twin City, com.	6	66	64	64½	66¼	496
Do., pref.	7	98	98	98	99¾	25
Wabasso Cotton	4	69	69	69	70	60
Wayagamack		38	32	32	38	195
Western Canada Flour	8	100⅛	100⅛	100⅛	100	5
Winnipeg Electric, com.		29½	29	29½	30	165
Do., pref.	7	83½	83	83½	82½	200
Can. Landed	10	77¼	77¼	77¼	77	25
Can. Permanent	12	183⅛	183⅛	183⅛	184	4
Col. Investment	6	7	7	7	7	8
Landed Bkg.	9	144	144	144	144	10
Montreal Loan	12	45	45	45	46	4
National Trust	12	207	207	207	203	10

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Rest and Undivided Profits, Oct., 1922 1,403,735
Deposits, Oct., '22 40,265,016

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HOLDERS OF C.G.E. COMMON WILL GET SUBSTANTIAL PRICE

Offer is Considered to Place Exchange Value at 120

DEAL IS ASSURED

U. S. Concern is Said to Have Secured Enough Stock in Open Market to Ensure Purchase

New common stock of the Canadian General Electric, as a result of the deal with the U. S. company, is being offered at 102. At the present market price for the old, the price of the new would stand around 95. The best bid for the new is 97, but, as pointed out, none is being offered under 102.

The plans of absorption call for the shareholders of the common stock to receive $62.50 per share in cash. Then the shares are convertible into a share of the new preferred, par value $50, with a market price at the present bid of 48½. This means that if all the common stock is converted the immediate outlay will be $6,750 000. Those not converting their common will receive two $50 common shares.

The common shareholders thus fare well by the deal. Recently their stock sold around 103 and last year as low as 75. The deal with the U. S. concern caused the price to advance to its present level of 110. It should also be pointed out that it was only in 1921 that the common shareholders received a stock dividend of 20 per cent., and for this stock they are now receiving the full market price. Common stock authorized is $18,000,000 with $10,800,000 issued. Common dividends paid by the C. G. E. have amounted to a distribution of $13,116,740. From 1893-97, 6 per cent.; 1898, 7 per cent.; 1899-1907, 10 per cent.; 1908-15, 7 per cent.; 1916-21, 8 per cent.; 1922, 8 per cent. first quarter, and 6 per cent. for the balance. It is estimated that the deal gives an exchange value to the common around 120. Only once before, 1916, did the price exceed the present. It sold at 114½.

The preferred, $2,000,000, outstanding, is to be redeemed at 115. The cash for this is to be provided by the purchase by the U. S. interests at 115 of $2,000,000 common stock now in the Canadian treasury. The new preferred, which the Canadian common shareholders will receive, is a 7 per cent. cumulative, preferred as to dividends, and with voting powers, if the dividends are one year in arrears and redeemable at the company's option at 15 per cent. premium.

Double Output

General Electric contemplates doubling output of Canadian plants and converting subsidiary Canadian Allis-Chalmers plants to manufacture of electrical equipment. It is estimated that the American company plans to spend over $15,000,000 on the Canadian company, including stock purchase, plant rehabilitation and working capital.

A report from New York states that the main reason actuating the U. S. concern in its desire to get control of the Canadian company was to bring its products under the preferential tariff of the British Empire. It is stated that it has already diverted an important British colonial contract to the Canadian company's Peterboro plant. Formerly the Canadian company was unable to use General Electric patents on empire orders, while the Schenectady company was unable to sell any of its equipment in Canada except through the Canadian concern.

General Electric has purchased enough Canadian stock in the open market to ensure completion of the transaction.

Canadian General Electric plants are now in possession of orders that will keep them working at full speed for two years, while new and large orders from the mines and paper companies are steadily forthcoming. Right at the present time a large mining deal is pending, while it is just reported from the Maritimes that the Newfoundland Paper Co. has placed an order with the company for transformers, switchboards, etc., to a total value of $500,000. Another order, exceeding this figure, has just been received from the Southern Canada Power for a new station on the St. Lawrence.

Few Changes in Personnel

The Canadian General Electric has been known to have felt competition severely. The larger installations of electrical equipment have called for machines and material not always available from the company's present plants. The new arrangement will not only grant to the Canadian company the advantage of the American corporation's capital and mechanical resources, but will facilitate deliveries of the largest and most modern units. Mr. Dyment, the president, has repeatedly assured all concerned that no changes in staff or directorate will take place, though it is expected that certain technical experts will be brought from the American corporation, and that some new factory equipment and reorganization will be made.

POTATOES FOR CUBA

ST. JOHN.—Present indications are that the movement of New Brunswick potatoes to Cuba will be heavier than last year and representation has also been made to have large shipments from Nova Scotia and Prince Edward Island handled through this port. The Federal Government has been asked to arrange additional space to handle same as the present potato sheds were taxed to capacity last winter.

The Man Behind the Merger

An Intimate Sketch of the President of the Canadian General Electric

By AUSTIN CAMPBELL

Time was, in Toronto, when the corner of King and Simcoe Streets rejoiced under the quadruple title of "Legislation, Education, Salvation and Damnation." Those were the days when Government House smiled, where now the C. P. R. freight sheds frown; when Old Upper Canada College hummed with learning, where now the offices of the Canadian General Electric hum with business; where St. Andrews Church opposed its ecclesiastical dignity to the brass rails and swing doors of the saloon on the opposite corner.

Many went through all four of these famous portals, but to Albert Edward Dyment the corner has accorded especial fame. If there is anything in predestination, then fate had her finger on young Dyment in the days when the swish of the hickory stick sounded through the halls of Upper Canada College, for of all the boys who passed through that seat of learning none had less distance to go to achieve fame and to win success. Lt. Col. A. E. Dyment, the president of the Canadian General Electric Company, is the selfsame "Allie" who, as a youth, played hookey over the college fence and was good and properly caned for his escapades.

Perhaps it was as quarter back of the undefeated football team, which won the inter-collegiate championship, that he got the habit of winning. At all events there must be something queer with the "Business Scrimmage" that A. E. Dyment enters and comes out of empty-handed. Whereas he was junior player in those days—now he plays "Captain" on the same grounds, in one of Canada's most successful industries. The late Dr. "Andy" Gordon was a master, while Col. A. T. (Andy) Thompson, and Judge Sinclair, were class mates; all made their marks on Canadian affairs. "Allie" and "Andy" gazed often at the aristocratic grandeur of Government House and yearned for fame. It is Dr. Parkin, later the principal of the college, who recounts how that, when these two chums came to part at the end of their college days, Dyment announced that he was "going into parliament." Andy Thompson promptly said: "If you do, I will." Each did, though Dyment finally graduated to the realms of finance, on the theory, doubtless, that "I care not who makes the country's law, so I may make its"—dollars.

A Lumbering Deal

Nor was he born with the proverbial "Silver Spoon in his mouth." Nathanial Dyment his father, was of English stock, his mother, Highland Scotch, they did not believe in such trinkets. They decided that the young man must work if he wanted to get on. Dad, it seems, owned a broken-down lumber business at Thessalon; trade was poor, the company was losing money and the elder Dyment, being disgusted with the distant venture, was seeking a means to unload his elephant. Then it was that the son, fresh from college, stepped in. Young Dyment, at age twenty-one, negotiated his first "deal," with dad as the party of the second part. The fact that the son did not know a pine log from a golf stick, or a circular saw from a pie plate, were details quickly dismissed by the supreme confidence of youth. Young Albert amused and astonished the village of Barrie, by entering into a firm contract, to buy, for cash, a one-half interest in the semi-defunct enterprise, and to pay 6 per cent. interest on the payments involved.

"Six weeks" in the bush, was as much as anyone in the village expected this "college fellow" to stand. But the father decided that the boy must learn the value of contracts, so no favors were granted on either side. Dyment donned hob-nailed boots and acquired the gentle art of balancing himself on a floating log, as he helped with the river drive. He piled and tallied lumber till he could tell at a glance just how many feet there were in any stack. Dad got his purchase price, with interest, and his share in the profits, while the junior partner, by hard work, won the dollars that have since been mistaken for the "Silver Spoon."

"Six weeks in the bush?" Dyment stuck it for eighteen years! While he was making logs into saw dust and dollars, he found time for other things. Many things, in fact, such as marriage, horse racing, and politics. The district of Algoma had been Conservative for fifty years. That record was a challenge which a good liberal could not resist. Dyment decided to gratify the ambition of youth and "stand" for parliament. Stand was hardly the word to explain the act. Who could expect to win a riding that stretched from Copper Cliff to Manitoba by "standing." Dyment ran, walked and drove—sometimes 75 miles per day over bush roads and trails. It was electioneering on a wide scale across nearly a thousand miles of forest—stumping had a decidedly significant application in that territory.

The Political Plunge

Again parental advice was in opposition. Dyment was assured that he would fail, and condolence speeches were prepared in his home town of Barrie. But the youthful politician had a trick or two up his sleeve. Half his voters were Irish (Orange); half were Catholic, and—well, the colors of his racing stable were orange and green—jolly good political colors to have, so they were paraded forth in all their political and equestrian radiance. They carried him to victory in that fight, just as they did in 1912 on Heresy, and again in 1919 on Herendesy, for the King's Plate. The election was a turn over. With two thousand majority, one of the largest in Canada, Dyment went to Ottawa in 1896 and remained there till 1908 as the first liberal ever elected from Algoma.

In 1908 he was elected a member of the Toronto Stock Exchange and under the firm name of Dyment and Cassels proceeded to hew out for himself a clearing in the financial woods. Dyment was forty years old when he turned his hand from the Doyle rule and cant hooks, to ammeters and the ticker tape. Few men have made so great a change in business and lived to be proud of the result. Once only he slipped—the Sovereign Bank. It is not generally known, and he won't talk about it, but those who saw the inside of the affair pat Dyment on the back. In the vernacular of the street, "someone sold him good and proper." Dyment goes the whole way, or not at all, so he backed the bank with his money and enthusiasm. The Morgans, father and son, of Wall Street, had a hand in it, but the crash came. Dyment did not craw-fish; the market was low, but cherished securities went on "change" and the double liability was paid. It was a scrimmage with the ball out; it was a forest fire on a pet reserve; it was a race with his horse left at the post. Dyment wrote the loss off to experience, turned the page, forgot about it, and promptly joined the board of the Royal Bank.

It was for his part in the negotiations that led up to the amalgamation of the Royal and Traders Banks that Dyment won his seat on this board. Large interests naturally were involved, but so carefully were the details and negotiations carried out that Dame Rumor's tongue was hardly clacking ere the deal was completed. The union has been highly profitable.

"All your eggs in one basket," is a business precept not found on the walls of Dyment's office. He believes in variety. His name appears as director of Murray-Kay, but he varies the retailing of laces and furbelows with the glare of the footlights, for as director of Canadian National Theatres, he is interested in managing the Keith Franchises in Canada. As governor of the Canadian Bureau of Breeders, he cares for the thoroughbred section, and contends for equine racing honors, while, as director of the Royal Bank, he vies with the Bank of Montreal in the race for financial supremacy. Then, to sweeten the whole, he has been for eighteen years a director of the Dominion Sugar Co. To these activities add, for sundries, an Honorary Colonelcy in the 97th Regiment; sailing with the R.C.Y.C. squadron; attending Grand Lodge of Masons; ex-alderman of Barrie; presentation to the late King Edward; and establishing a hospital at Thessalon for the Victorian Order of Nurses, and—well, time has not hung heavily on the fifty-five years of his life.

Of all his activities, however, the Canadian General Electric Co., on the old school grounds, is his especial pride. He became a director in 1907; vice-president in 1916, and alternately chairman or president in 1921 to 1923. His work has been largely in the executive and financial branches. Apart from the present merger, the successful issue of $5,000,000 of six per cent. twenty-year debentures was the outstanding incident of his time, though equally noteworthy is the steady rise of the company, and its freedom from those usual danger points, or times of "crisis" that so often check growth and dwarf progress.

The proposed merger with the General Electric Co. of Schenectady, the details of which are now going out to the shareholders, is the culmination of several years of planning. To Dyment must go the credit of final accomplishment. That this arrangement is the logical method of meeting the changing business conditions cannot be doubted. Since its formation the Canadian company has had very close arrangements with its bigger American brother, but the problem was to devise means whereby the financial resources and the mechanical facilities could become fully available. Dyment has secured for his shareholders what seems to be a favorable merger.

Foreign Exchange

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ANNUAL REPORT

of the Directors of

The Goodyear Tire & Rubber Company

of Canada, Limited

Toronto, October 24th, 1923.

To the Shareholders:

Your Directors submit the accompanying Balance Sheet for the fiscal year ending September 30th, 1923, with a certificate by your Auditors, Price, Waterhouse and Company, which sets forth the result from operations and the financial position of the Company.

After providing for all manufacturing, selling, administrative expenses and income taxes, but before providing for depreciation of buildings, plant and equipment, operations show profit of $1,522,360.24. Out of this amount there has been set up for depreciation of buildings, plant and equipment, $490,026.63, which leaves a net profit for the year of $1,032,334.11. The Company has paid the current dividends for the year on both classes of stock, which dividends amount to $521,967.48, and in addition has paid all dividends in arrears on the Prior Preference Stock and one quarter's deferred dividends on the Preferred Stock. The amount of deferred dividends paid during the year was $353,079.33, making an aggregate total dividends of $875,046.81. Our annual statement for the year 1922 showed outstanding $404,546.62 of 8% notes, which was a part of our refinancing of 1921. These notes would have become due April 1st, 1924, 1925, and 1926, but owing to the strong financial position of the Company, they have been prepaid.

The very rapid development of the tire industry makes it essential that your plants should be kept to the highest efficiency. This continually requires new machinery and appliances. Your plant is strictly modern and notwithstanding the necessary capital expenditures during the year to accomplish this, and also the large amount paid in dividends, your current assets are $253,766.15 in excess of those of a year ago.

Owing to the keen competition throughout the World in the Rubber Industry, the percentage of profit has been materially reduced. Therefore, the net profits shown in the Balance Sheet are due to about a 40% increase in unit sales as compared with a year ago.

The fiscal year closed without any fixed or bank indebtedness, with cash on hand of $506,455.11, with current assets of $5,273,688.83, with current liabilities of $941,038.90, which includes $130,497.00 dividends payable October 3rd. Our current assets are $4,332,000.00 in excess of our liabilities. This gives the Company adequate working capital. We might add that all cash discounts have been taken advantage of, and there is no past due indebtedness.

The value of our inventory is greater than that of a year ago. This is largely due to adding new lines of merchandise and providing ample stocks for prompt shipment, and especially on export orders. The manufactured and crude stocks are exceptionally clean and have been valued in this report at or below cost, but in no case to exceed the current market value.

The amounts set up for reserves either for doubtful accounts or for depreciation of plant are decidedly liberal. It has been our purpose to have our Balance Sheet show a conservative net value of the Company's assets. You will notice that there are no amounts representing the value of good-will, patterns or patents.

Our product has given excellent satisfaction. Extreme economies are being practiced in all departments. Material savings have been made through the year's operation and especially in that of distribution. Competition for our present fiscal year will be decidedly keen and the margins will continue to be low, but owing to our financial position, the efficiency of our factory, our low cost of operation, the high quality of our product, and with the co-operation of our shareholders, we anticipate we will continue to get our share of the trade on a profitable basis.

Respectfully yours,
C. H. CARLISLE, Vice-President and General Manager.

Balance Sheet as at September 30th, 1923

ASSETS			
Real Estate, Buildings, Plant, Machinery, and Equipment			$ 7,371,134.61
Current and Working Assets:			
Inventories:			
Stocks on hand—Raw Materials and Supplies	$1,304,337.12		
Goods in process	372,005.68		
Finished Goods	1,814,839.24	$3,491,182.04	
Accounts Receivable:			
Customers	$1,078,480.12		
Miscellaneous	248,910.28		
	$1,327,390.40		
Less—Reserve for Bad and Doubtful Accounts	51,338.72	1,276,051.68	
Cash:			
In Bank	$ 400,355.42		
On Hand and in transit from Branches	106,099.69	506,455.11	5,273,688.83
Deferred Charges to Operations: Insurance, Taxes and Rent paid in advance			34,656.21
			$12,679,479.65

LIABILITIES			
Capital Stock:			
Six per cent. Cumulative Prior Preference Stock:			
Authorized—45,000 shares of $100.00 each		$ 4,500,000.00	
Issued—34,498 shares of $100.00 each			$3,449,800.00
Seven per cent Cumulative Preferred Stock:			
Authorized—150,000 shares of $100.00 each		$15,000,000.00	
Issued—45,000 shares of $100.00 each			4,500,000.00
Common Stock:			
Authorized—150,000 shares of $10.00 each		1,500,000.00	
Issued—53,320 shares of $10.00 each			533,200.00
Total Capital			$8,483,000.00
Current Liabilities:			
Accounts Payable		$ 530,857.20	
Miscellaneous		279,684.70	
Dividends on Prior Preference and Preferred Stocks payable October 3rd, 1923		130,497.00	941,038.90
Reserves:			
For Depreciation of Buildings, Plant, Machinery, Equipment		$ 1,559,929.37	
For Contingencies		175,311.87	1,735,241.24
Surplus:			
Balance at Oct 1st, 1922		$1,362,912.21	
Add—Profit for the year ending September 30, 1923, before providing for depreciation but after deducting Income Tax	$1,522,360.74		
Less—Reserve for Depreciation	490,026.63		
Net Profits		1,032,334.11	
		2,395,246.32	
Deduct—Dividends on Prior Preference and Preferred Stocks:			
On account of arrears	353,079.33		
Current year's dividends	521,967.48	875,046.81	
			1,520,199.51
			$12,679,479.65

Note:—Dividends on the seven per cent. Preferred Stock are in arrears to the amount of $472,500.00.

October 24th, 1923.

To the Shareholders of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED.

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited, for the year ending 30th September, 1923.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Company on the basis of cost prices which are not above market, the bad debt reserve is considered sufficent to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at 30th September, 1923, are included in the Balance Sheet.

And we certify that the annexed Balance Sheet is drawn up so as to show the true financial position of the Company as of that date and the results from the operations for the year ending 30th September, 1923, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO., Auditors.

WHEN YOU ADVERTISE---

Look at the Map and
Visualize SASKATCHEWAN!

The Province that is the biggest in arable area of them all!

That raises 25% more crop than Manitoba and Alberta combined.

That is harvesting twelve and one-half million acres of wheat *right now!*

This is more than the whole wheat area of Canada ten years ago.

Don't make the mistake of thinking you can advertise to Saskatchewan *from the outside.* It can't be done. The Province is too big.

The Saskatchewan market is really virgin territory to many manufacturers who can feel their own bumper crop if they follow this advice:

When Advertising, Put on Every Schedule

The Great Saskatchewan Dailies:

REGINA LEADER-POST
In the South

SASKATOON STAR-PHOENIX
In the North

Eastern Advertising Representatives:
Toronto—E. J. Guy, Royal Bank Building
Montreal—C A. Abraham, 232 St. James Street

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P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

OSLER & HAMMOND

Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
21 JORDAN STREET - TORONTO

GOODYEAR TIRE'S PROFITS HELP UP TO YEAR PREVIOUS

Part of Preferred Arrears and Notes Were Cared For

Goodyear Tire and Rubber Co. made a net profit of $1,552,360 for the year ending Sept. 30. Out of that sum depreciation is to be deducted, $490,026, leaving a net of $1,032,334. The previous year's total was $1,062,024.

Preferred dividends for the year were $521,967, and in addition to this the prior preferred arrears were paid and a quarter met on the preferred, a total of $353,079, making the year's distribution $875,046. In addition 8% notes due 1924-5-6, total $404,546, were taken up. The preferred arrears are now 7% or $472,500.

The balance sheet shows the position of the company to be satisfactory. Current assets stand at $5,273,688, current liabilities $941,038, which leaves a working capital of substantial margin.

The value of inventories was greater than at the close of the previous year, due in the main to the necessity of adding new lines of merchandise and providing ample stocks for prompt shipment, especially on export orders. What is said to be a conservative valuation of the inventories is a total of $3,491,182, as compared with $2,385,844. Depreciation reserves now stand at $1,735,241, while good will and patents do not appear on the balance sheet.

The annual report states that, due to the very rapid development of the tire industry, equipment has been materially increased at the plant; yet, in spite of this and the large outlay in dividends, the company's current assets are $253,766 in excess of those of the previous year.

The profit and loss account:—

	1923	1922
Balance ford.	$1,362,912	$1,300,888
Profit	1,522,360	1,062,023
	$2,885,272	$1,362,911
Less—		
Depreciation ...	490,026	....
Dividends	521,967	....
Do. (arrears) ..	353,097	....
Bal. ford.	$1,520,182	$1,362,911

PUBLIC UTILITY SERVICE IN 1848

Gas Cost Montrealers Over $3 Per 1,000 Feet Seventy-Five Years Ago

From Our Own Correspondent.

MONTREAL.—Visitors to the office of Sir Herbert Holt, head of the Montreal Light, Heat and Power Consolidated, notice in his office a clipping from the Montreal Herald of a date in 1848 that is significant of the progress of public utility service in the seventy-five years that have intervened.

The clipping announces the formation of the City Gas Company, which undertook to supply gas at half the price previously charged in Montreal. Even with this substantial cut the cost of gas was going to be 12s. 6d. per 1,000 feet, or about $3.00, as compared with the present price of $1.10 for a grade of gas much superior. Meters would be supplied free to anyone who would undertake to use a minimum of £6 worth of gas in a year. Most of the customers did not buy gas by the 1,000 cubic feet, but paid flat charges for each fixture installed.

The City Gas Company had been started in opposition to the Montreal Gas Company, which had begun operations the previous year. A rather clever scheme was thought of to finance the company and get it going. The holder of one share of stock at £10 got a discount of 6 per cent. on his gas bills, and there was a graduated scale of discounts up to 25 per cent. for the subscriber to £1,000 of stock. Thus the company's problems of raising capital and of obtaining customers in opposition to the former company were to be solved in the one stroke.

But two gas companies were too much for Montreal and the City Gas Company was absorbed by the Montreal Gas Company after about a year of life.

Many families still prominent in Montreal's business life were sponsors for these early public utility services. The Molson's and the Workman's were particularly to the fore in the gas company.

Pulp and Paper Securities

MILLIONS PAID TO SETTLERS BY BIG PAPER FIRMS

Market For Timber Cut in Clearing is Provided by Them

From Our Own Correspondent.

The most important event of the week in pulp and paper circles has been the receivership of Becker and Company, British paper merchants, who held substantial interests in Canada and who were interested in the marketing of the products of Bay Sulphite, Chicoutimi Pulp and Clyde and Sissiboo Pulp Companies. It seems now that no considerable loss will be occasioned to any of the companies by the Becker affair, which was due to over-expansion of operations and not to the failure of any Canadian firm to meet its obligations, as had been reported in press dispatches from Great Britain.

Newspaper advertising for September went well above the August figure and with the Christmas season approaching demand for newsprint should continue fair. But there is some indefiniteness about 1924 price levels.

MONTREAL.—How the pulp and paper companies help to open up forested areas for settlement is indicated in "The Broke Hustler," the staff paper of the Abitibi Power and Paper Company. "The pulp and paper companies are the great pioneers of to-day," says the "Hustler." "Were it not for their operations, the opening up of forested country would be delayed scores and scores of years.

"Without the pulp company the settler cannot get a start. Pulp companies pay millions every year to the settlers and it is this money in the first few years of homesteading that enables the settler to get far enough ahead to become a farmer. The mines and other industries are very valuable assets to the country and provide a splendid market to the farmer after his land is cleared and he is actually producing. The pulp and paper companies provide a market for the settler the minute he steps onto his lot axe in hand, and it is only through the pulp and paper companies that a settler is enabled to carry on in the first few years, while he is clearing his land and before he begins to farm in earnest.

Ten Millions Paid Out

"For example, in the last nine years the Abitibi Power and Paper Co. has paid out over ten million dollars to men working in the bush, many of whom were settlers close to the mill; to settlers on driving water near the mill and to contractors in the bush, many of whom were nearby settlers.

"In the district within water reach of the Black River, where logs could be driven down to the jack ladder, which includes roughly the Matheson-Monteith district, the Abitibi Company has spent a million and a third in nine years in purchasing wood from settlers. Much of that one and a third million went straight back on to the farms, and without that the farmers of the district could never have got a start.

"In Quebec too, the Abitibi Company has been a great help to the settlers. The Quebec government years ago inaugurated a strong colonization policy which went hand in hand with energetic road building. The land in the Province of Quebec just to the east of the Abitibi Lakes is splendid land, but the settlers had to have something to go on until their farms were producing. There was only one source, the Abitibi Power and Paper Company, and in the nine years $1,200,000 has been spent among the settlers whose wood can be brought to the Abitibi Lakes.

"It must be remembered in regard to these figures that they apply only to the actual cutting in the bush and do not include scaling, river driving or the expenditure at the various company depots.

Tons and Tons of Food Needed

"The immense scale on which woods operations are carried on in order to supply wood to the mill is well shown by figures relating to the camps. The average number of men in camp this coming season will be about one thousand.

"Provisions required and already contracted for amount to 1,200,000 pounds, or forty car loads, costing in the neighborhood of $90,000.

"The average number of horses used will be 200, which will use 65 car loads of hay and oats, roughly 1,650,000 pounds, costing $23,000.

"This for the winter only and does not include the summer operations.

"A better idea of the size of the operations may be got from details of various food products used in camp. It takes 6,500 pounds of tea and coffee to supply the men cutting pulp wood for the mill. This is well over three tons. Potatoes required are 180,000 pounds, beef 100,000 pounds, pork 110,000 pounds, mixed vegetables, beets, carrots, onions, etc., come to 73,000 pounds and flour 200,000 pounds or 1,000 barrels. It would not be a lumber camp without pea soup, and it takes 7,500 pounds to make the soup. Canned goods, tomatoes, corn and peas 75,000 pounds. Sugar 62,00 pounds or 31 tons. It takes three tons or 6,000 pounds of salt for kitchen use, and spices, etc., such as pepper, mustard, baking powder make a total of two tons."

ABITIBI

Work on the wood room extension at the Abitibi plant and the installation of equipment is nearing completion. The building itself is practically complete with the exception of a few voids left open in connection with the installation of machinery.

The four new barking drums have been in operation now for over a week, also the upper and lower water tanks. The conveyors for the four new drums are complete and the operation in regard to these drums is in its permanent form.

MORE PAPER BEING SHIPPED THAN PULP

Rate of Growth of Paper Exports is More Rapid Than of Semi-Finished Product

From Our Own Correspondent.

MONTREAL.—Canada's exports of paper are growing much more rapidly than the exports of pulp from Canada. This indicates a realization of the aim to develop the manufacture of raw materials to the highest possible degree with Canada. From September, 1922, to September, 1923, exports of pulp grew less than two per cent., and exports of paper more than 20 per cent.

Total value of the pulp and paper exports from Canada for September was $11,715,869. This was a decline from the previous month of $1,579,400, but an increase of $1,393,586 over September, 1922.

Details of the various grades exported are given below:

	Sept. 1922 Value	Sept. 1923 Value
Paper:		
Newsprint . . .	$5,632,758	$6,870,190
Book paper . . .	37,759	40,948
Other paper and manuf's. . . .	574,097	653,113
	$6,244,614	$7,564,251
Pulp:		
Sulphate	825,789	761,695
Sulphite:		
Bleached . . .	933,358	929,121
Unbleached . .	1,310,640	1,282,808
Mechanical . . .	1,017,882	1,177,994
	$4,087,669	$4,151,618

Figures from Canadian Pulp and Paper Association.

The distribution of these exports in September was as follows:

To:	Paper	Pulp	Total
U.S.A.	$7,072,584	$2,954,723	$10,027,307
U. K. .	190,229	1,095,288	1,285,517
All other	301,438	101,607	403,045
	$7,564,251	$4,151,618	$11,715,869

Production of newsprint paper by Canadian mills during the first nine months of the current year amounted to 944,820 tons. This quantity is considerably greater than the total previously reached in any complete year with the exception of 1922 when the output was 1,081,364 tons.

In the corresponding nine months of 1922 the Canadian mills produced 799,373 tons, so that this year's cut-put up to the end of September exceeds that for last year by 145,447 tons or over 18 per cent. If the mills maintain this level of production during the last three months of the year, the output for 1923 will be well over 1,250,000 tons.

New Forester for Nova Scotia to Plant Trees

From Our Own Correspondent.

MONTREAL.—Nova Scotia is to have a provincial forester, but he will be paid by a private individual. Frank J. D. Barnjum has retained O. Schierbeck, formerly chief forester for Price Brothers, to co-operate with farmers and land owners in Nova Scotia in the reforestation of their waste lands.

Mr. Schierbeck, who is a Dane, was the winner of Mr. Barnjum's $5,000 prize for the best method of combatting the spruce bud worm.

Advertising Volume Greater in September

From Our Own Correspondent.

MONTREAL.—While demand for newsprint continues excellent just now, discussion ranges around the subject of 1924 prices. Publishers are likely to make a determined effort to have the present contract price of $80 a ton reduced. The effect on Canadian mills of lower prices would be a reduction in profits. But it is not by any means definite that prices will be lowered. The best opinion at the moment is that prices will remain where they are. Early 1924 may see a change in the situation.

Advertising volume is an index of newsprint demand and the lineage of advertising appearing in United States newspapers in September was well above the August figure, but below some previous months.

Total lines of advertising appearing in the newspapers of 22 cities have been as follows in each of the months since 1922:

	1922	1923
January	85,745,000	90,422,000
February	75,319,000	83,496,000
March	93,285,000	105,023,000
April	97,160,000	108,836,000
May	97,086,000	109,559,000
June	90,796,000	98,359,000
July	77,966,000	83,757,000
August	77,393,000	80,653,000
September	87,904,000	93,014,000
October	105,637,000	....
November	100,616,000	....
December	100,601,000	....

GREAT LAKES PAPER

The site for the large pulp and paper mill of the Great Lakes Paper Co., at the head of the Great Lakes has been definitely decided upon and preliminary work already started. Railroads have been instructed to proceed with the necessary tracks to the site and to provide for siding and switching facilities. The work of the railroad engineers is greatly simplified by the nature of the subsoil, which will make piling unnecessary, thus saving about two months' work. Four buildings will be included in the first unit to be constructed, as follows: The grinding room, 120 by 96 feet; the wet machine room, 163 by 75 feet; the transformer house, 63 by 34 feet; and the wool room, the dimensions of which have not as yet been announced. The construction is to be steel, with reinforced-concrete pillars and brick panel curtain walls. The plant will have a capacity of 100 tons of ground wood pulp and the paper mill will have an initial capacity of 100 tons of news print daily.

SMOKE

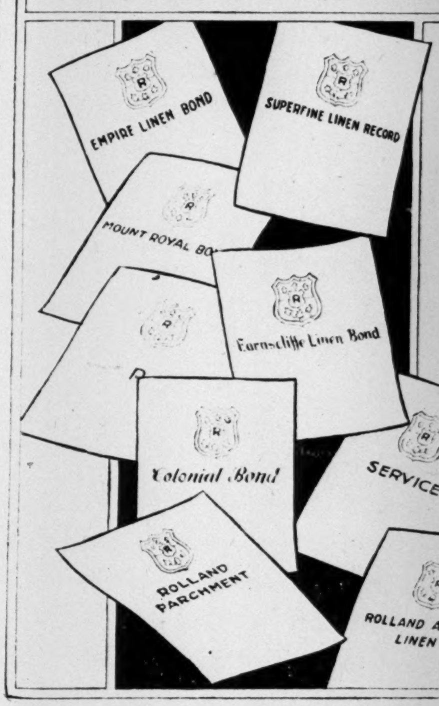
in ½lb. tins and 15¢ pkts.

OLD CHUM

The Tobacco of Quality

Manufactured by Imperial Tobacco Company of Canada Limited

ROLLAND'S



For Stationery of Distinction

You are spending hundreds, perhaps thousands of dollars annually for paper—for letterheads and office forms of all kinds.

Rolland papers are unequalled for quality and durability. They are made in grades suitable for every purpose. Ask your printer for samples and compare them, grade for grade, with the paper you are now using.

Rolland Paper Company Ltd.
Montreal
Mills at St. Jerome, P.Q., and Mont Rolland, P.Q.
High Grade Paper Makers Since 1882.

The New Twenty-year Capital Return Policy

(Issued by The Canada Life)

A Young Man and His Future

He takes his first step in business affairs, is examined by the doctor and creates an estate of $5,000.

He improves the shining hour and impresses upon an important person that he is in possession of an "estate."

His tendency to save and invest is noted by his employers.

He finds his savings of great assistance in buying a home.—

And as time goes on he is enabled to enjoy many of the good things of life.

Absolutely guarantees the return at the end of twenty years of all annual deposits, with accumulated profits, after giving you insurance protection for twenty years.

Easily Understood:

1st. Deposits are made yearly. This is what you are SAVING, and at the end of 20 years the Canada Life GUARANTEES the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit—for $5,000 or whatever amount you decide.

3rd. Profits are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These profits may be used to reduce the amount of your yearly deposits or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Profits represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty years you can draw out all you have paid in along with profits—

— or —

you can draw a Special Cash Guarantee, together with the Accumulated Profits, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live.

There are many other attractive features and privileges contained in the Policy, which may be of particular value to you.

Do Not Pass This By

Canada Life
Home Office
TORONTO
Canada

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, you may send me particulars of your new Twenty-Year Capital Return Policy.
Name ....
Address ....
Born ....day of........19..

12

GOLD and SILVER STOCKS
BOUGHT SOLD QUOTED
LORSCH & CO.
Established 1898
MEMBERS
Standard Stock and Mining Exchange.
Phone Main 7417-8. 56-58 King St. W.
TORONTO, CANADA.

FRED M. FISHER
STOCK BROKER
Member Standard Stock and Mining Exchange
Adelaide 7821
SIX JORDAN STREET, TORONTO

C.E. Weller & Co.
55 St. Francois Xavier St.
Main 4006 Montreal
Mining & Unlisted
Stocks Bonds
Correspondence invited

W. M. Forrest Draper Dobie
FORREST, DOBIE & CO.
STOCK BROKERS
Specialists in Mining
Phone: Adelaide 0411.
297 BAY STREET. TORONTO

J. F. H. USSHER
(Member Standard Stock and Mining Exchange).
13 King St. W., Toronto.
Telephone Adelaide 8271-2.
No margin accounts accepted.

TANNER GATES & CO.
Members Standard
Stock and Mining Exchange.
For Information re Baldwin Gold Mining Co. Write us.
300-1 Dominion Bank Bldg. TORONTO

F. J. CRAWFORD & CO.
STOCK BROKERS
Members Standard Stock and Mining Exchange
McKinnon Bldg., Toronto
Phone Adelaide 6705-6.

The Latest Conditions

and new developments of importance at the camps of

Castle
Hollinger
McIntyre
Tough-Oakes B.
Newray
Vipond Cons.
Lorrain

are authoritatively bulletined in the latest issue of Gibson's Fortnightly Mining Review. This up-to-date information indicates the outlook for these mines, and will be found very valuable in anticipating market movements.

We have a copy for you; write for it.

Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
TORONTO

How do you Judge a Mining Stock?

The man who makes money in the mining market buys only those stocks that he knows to be bargains at current quotations.

Market prices do not always reflect the real and intrinsic value of a security which is the only guide in gauging bargains.

Discrimination of stock values depends on the possession of vital facts concernng the company.

Our Analytical Department, from company records and new developments, assembles facts as they really are and analyses their bearing on the market thus indicating the most favorable profit-making opportunities.

You would be well advised to consult us before taking on market commitments.

F. G. OKE & CO.
Members Standard Stock Exchange
34 King St. E. Toronto

MINING NEWS FOR THE INVESTOR

TRADING IN MINES SHARES NOT BRISK; PRICES ARE UNEVEN

Break in Dome Caused a Flurry, but List Has Recovered

The mining market for the past week has been most irregular. At the offset there was quite a weakness apparent, due undoubtedly to the break in Dome. This was caused by the throwing of a large block onto the Toronto market, and not as a result of selling from New York as was reported. Whatever leadership the market has had for months past, Dome has provided it and so its display of weakness has a depressing effect on the whole lot. Immediately the large block had been absorbed, there was an immediate recovery. and since then Dome has shown a consistent strength. The rest of the golds have been fairly active. The taking over of Lightning River claims and the cash purchase of the Platt veteran claim by the McIntyre, along with the fact that Pres. J. P. Bickell is in England, presumably to close a deal for the treasury shares at a price, said to be $18, gave the boosters for McIntyre plenty to work on. They made some progress. The purchase of the Platt veteran claim was a move of importance. Both Hollinger and McIntyre wanted it, and it is stated that recently an offer of $400,000 for the property was rejected. This would seem to indicate that the McIntyre paid more.

Hollinger has been steady, as have been the other Porcupine stocks. The Kirkland Lake issues have been under steady accumulation, and there has been a subsequent advance in price. Wright-Hargreaves made the advance of the week. Lake Shore and Teck-Hughes also made small gains. Tough-Oakes, Burnside is on the eve of important developments on the 900 level and is being watched closely. The market for this stock is steady.

In the silvers there has been some activity and a strong list. Mining Corporation and Keeley have been taking well. Castle has provided the strength, moving up considerably. It is generally conceded that the information made public in regard to ore reserves on this property has been most conservative. Work on getting the mill erected is going along well.

Silver Shipments to Far East Steadily Increase

Silver shipments to Far East have increased in recent months, particularly to British India. For the first eight months of this year exports of silver to China were $19,045,163 as compared with $14,469,141 for 1922 period, and to British India exports totaled $11,244,086 as compared with $6,552,940 last year. Exports to these two countries constituted $30,289,249 of the total exports of $38,525,927.

Exports in four months ended with August were:

	May	June	July	August
China	$2,166,877	$1,793,744	$2,897,101	$3,600,533
British India	686,751	829,749	2,351,148	2,285,698

Exports in September to all countries were the heaviest of any month this year, totaling $8,123,460, as compared with $7,032,221 in August, preceding high month. For nine months' period imports were $54,096,745 and exports $46,649,387, an excess of imports over exports of $7,447,358.

Silver production in the United States will show a falling off in last half of year owing to restricted operations at silver and silver-lead mines now that purchases under Pittman Act have ceased. At Tonopah silver camp only three mills are in operation, those of Tonopah Mining, Tonopah Extension and West End Consolidated. Canada's silver production should show a fair increase.

ROUYN LOOKING WELL

Nipissing has a number of men examining the Powell group in Rouyn. These holdings are the original discovery of the camp and have been under option of Chadbourne and Thompson. The find on the Noranda, operated by Chadbourne and Thompson is directing interest to the new camp and if the values so far opened up continue to depth, the outlook is for a big mine.

GOOD RESULTS IN LIMIT

Mining Corporation is not putting the collar in the shaft in its Gillies Limit property. The work is down 28 feet and good values were encountered. When the collar is in place a contract to sink to 400 feet, to cut the contact estimated to be at that depth, will be let.

Gold in Canada Making Millions FREE

Keep posted on World's Greatest Gold Boom

Get your FREE copies of Canada Mining Review (15c. per copy).
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200 Millions in Cash Dividends
Review of Mines & Markets
Prize Fortune Articles
Maps, Reports, Comments, etc.
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Send your name and address today.
Then receive 6 illustrated copies of CANADA MINING REVIEW. No obligation of any kind. Offer limited. Write at once.
CANADA MINING REVIEW
136 St. James St. Montreal, Canada

Mining Corporation is Making Good Progress

The second progress report of the Mining Corporation of Canada reviews the recent progress. It is a word picture of efficient operation and progress. Interest centres around the Cobalt properties. It is pointed out in this regard that no attempt is being made to create a large monthly tonnage; all efforts being directed to exploring, developing and opening up the mine at the earliest date possible. In regard to the Trout Lorrain property, good progress is being made, it being pointed out that the ore taken out in shaft sinking has been more than sufficient to meet the cost of development to date.

Mysterious Flow of Water Has Puzzled Miners in South Lorrain

COBALT.—A mysterious flow of water has been bothering the develment of the Keeley Mine of South Lorrain. It has delayed considerably the drive on the eighth level to reach the zone where the spectacular values occurred on the seventh level. The presence of this flow of water also resulted in the Trout Lake Syndicate, the Mining Corporation property, stopping sinking and start drifting.

THE FINANCIAL POST representative was in the camp when the mystery was solved. A visiting mining man, when passing over the Wetlauffer, noticed that the water was away down, 100 feet to be exact. He mentioned the fact to "Hal" Fancy, engineer in charge of the Mining Corporation properties, and thus the solution of the water troubles was found.

There is a large vein running from the Wetlauffer, west, over the Keeley and Trout Lake properties. Apparently the water from the Wetlauffer, and, perhaps, also from the Pittsburg Lorrain, seeped through this vein into the workings of the two properties.

For some time it was feared that the water worked up the Wood's fault from Trout Lake, as the low mine workings were lower than the bottom of the lake. This fear is now set at rest. Keeley has just installed a new pump, ample in capacity to cope with the waters. Their pumping will likely continue to lower the water in the shafts of the old mines, and so will not only help themselves, but the subsidiary of the Mining Corporation as well.

Part of Big Mining Merger Near Through

Goldale and the Armstrong Booth claims east of the McIntyre will soon merge, according to semi-official information. Negotiations to this end have been going on for some time. A hard drive is being made to include the Plenaurum also, but the McIntyre interests with over 40% of the stock are the stumbling block. Mr. Beckell, of the McIntyre, would have a portion of the Plenaurum for his big mine if he could do so. Kerr Lake Mining Co. is operating the Goldale. An interesting letter on the Goldale proposition has been recently issued by Oke & Co.

INDIAN MINES ON MONTREAL EXCHANGE

First B.C. Property to go on Eastern Stock Exchange Boards

From Our Own Correspondent.

MONTREAL.—The listing of Indian Mines on the Montreal Stock Exchange has two significant features. First it widens the number of mining stocks on the Montreal Stock Exchange and strengthens the unlisted department of that exchange as Quebec's mining stock exchange, and secondly, it brings a good British Columbia property more definitely before Eastern investors. The stock has also been listed on the unlisted section of the Toronto Stock Exchange, and on the Standard Stock Exchange in Toronto. This is the first company in the famous Portland Canal district of British Columbia to go on Canadian stock exchange boards.

The mine is close to the Premier properties in British Columbia, which have paid $4,500,000 in dividends in the past two years. The mine is considered well beyond the prospect stage. About 3,500 feet of underground work has been accomplished and ore reserves to an amount of $2,295,000 have been opened up, the work having uncovered a large amount of ore ranging from $12 to $35 a ton.

The company has no indebtedness and has funds in the treasury to continue present operations for some months. Of the authorized capital of $3,000,000, $2,250,000 has been issued. Most of the capital for the development of the company has been supplied privately by a Montreal and Toronto syndicate.

The directors are: Fred J. Richie. Prince Rupert, president; G. B. D. Turner, New York, vice-president; L. W. Patmore, Prince Rupert, B. C., secretary-treasurer; W. R. Johnston, Toronto; Brig. Gen. G. Eric McCuaig, Montreal; John Bain, Ottawa; J. Arthur Smith, Prince Rupert, and H. Roerig, Prince Rupert.

Packs Gold Bricks to Prove He Has a Mine

From Our Own Correspondent.

VANCOUVER.—E. J. Taylor is packing around four or five gold bricks, value $3,140, to prove he has a gold mine up in Northern B. C. His property is known as the Whitewater Goldfields, and was staked several years ago, and for quite a time panning operations netted the owner a good return. Last June a fairly large scale operation was started. Ten men have been at work ever since, and a total of $3,140 worth of gold has been mined since. The yield runs on an average of from $80 to $100 a ton, according to working reports. Mr. Taylor states that they have 100 feet of tunnel and crosscuts at a depth of about sixty feet, and work is being started on fresh shafts that will carry the depth to 100 feet.

SHIPMENTS RESUMED

Shipments of silver have been resumed from the Colonial at Cobalt to the customs mill of the Mining Corporation. The average is about 35 tons daily.

SILVER AND OTHER METALS

	29	30	31	1
Silver				
London (pence	32	32	32	31⅞
New York	63¾	63⅝	63⅝	63¾
Copper	12⅛	12⅛	12⅝	12⅝
Tin	41.62	41.62	41.62	42
Lead	6.75	6.75	6.75	6.75
Zinc	6.35	6.35	6.35	6.32

COBALT OPTIMISTIC OVER LORRAIN RY.

If Built it Will Help Keep Trade in Big Silver Camp

There is quite a feeling of optimism in Cobalt over the prospects of a railway to South Lorrain. This would ensure for Cobalt the main trade of the new camp for all time to come, as the line would undoubtedly run from Cobalt down.

Surveys for the railways are now being made. This, of course, is not a sure sign that the railway will be built, but it is a sign that the government is ready to do something the minute the development of the camp warrants it. There are now three major operations in the camp, and three more are either started or will start at once. There are a couple of others coming along nicely.

A factor that will have an important bearing on the camp will be the developments in Gillies Limit. The Mining Corporation has already met with considerable success. There are several other promising prospects, while there are as many more in the township of Lorrain, north of South Lorrain. A railway from Cobalt would mean that most of the ore mined in Lorrain would be milled in Cobalt, thus providing quite a stabilized industry for Cobalt's population.

First Real Operation in the Skead Camp

Skead Gold Mines will sink its shaft to 500 feet. This is an interesting property in an interesting but neglected camp. This working, when complete, will be the deepest in the camp. Diamond drilling, carried on by other interests, showed the property warranted considerable work to test it out. The holders of the Skead Gold Mines did some 30 odd miles of stripping and trenching in the camp.

CONSOLIDATED SMELTERS

Ore receipts at Trail smelter of the Consolidated Mining and Smelting Company, for the week ending October 21, amounted to 4,874 tons, 4,139 tons of which were produced by the company's mines and 735 tons by other mines. From Jan. 1, to Oct. 21, the receipts amounted to 327,385 tons.

Mining Stock Quotations

Week Ending Oct. 30

	High	Low	Close	Close Oct. 23
Atlas	6½	3½	5½	3⅞
Apex	2¾	—	—	3
Algonquin	3¼	—	—	3½
Argonaut	65	61	61	67
Baldwin	6¾	6¼	6¼	6¾
Beatty	14¾	12¼	12¼	12¾
Beaver	27	25	26	27¼
Bidgood	7	6	6	6⅞
Buckingham	7⅛	4¾	6¼	5¼
Castle Trethe'y	36¾	34¼	36½	34¼
Chambers Fer.	3	—	—	4¼
Chaput Hughes	4¾	4	4	4½
Coniagas	2.25	2.22	2.22	2.40
Columbus	10	—	—	10
Cons. Smelters	26½	25	25½	26½
Cons. W. D.	28	26¼	26½	27½
Clifton	16½	15	15	15¼
Col. Kirkland	9½	—	—	10½
Crn. Reserve	61	59	59	60½
Davidson C.rts.	26	—	—	26¼
Dav. E. Rights	4½	—	—	5¼
Dome Mines	37.75	34.45	36.80	37.50
Dome Kirk.	1⅝	—	—	1½
Gold Reef	2⅛	—	—	1¾
Goldale	55¼	50	55	53
Hattie	13¾	10¾	10¾	11½
Hillcrest, pf.	85	—	—	90
Hollinger	11.50	11.00	11.45	11.08
Hunton	7	6½	6½	7
Keora	8	7¼	7½	7
Keeley	1.91	1.89	1.90	1.90
Kirk. Lake	36	33	33½	38¾
La Rose	22	19¾	19¾	24
Lake Shore	3.50	3.40	3.45	3.45
Lorrain	18	16	17	17¼
Lorrain T.	1.17	1.15	1.17	—
Lebel Oro	26½	26	26	26
McIntyre	17.10	16.30	16.60	16.65
McK. Darr.	11¾	11	11½	11½
Mining Corp.	2.87	2.81	2.86	2.85
Moneta	16½	16	16½	16½
Newray	44	42	42¼	43½
Nipissing	6.00	5.70	5.96	5.75
Peter. Lake	10	9	10	10
Porc. Crown	8	7½	7½	7½
Preston	11⅝	11¼	11⅝	11⅞
Tough Oakes	69	66	68	67½
Teck Hughes	1.23½	1.13	1.23	1.20
Timiskaming	32¾	32	32¾	32
Thpn. Krist	5	4½	4½	4¾
Trethewey	4½	4	4	4½
Sterling Coal	45	—	—	45½
Vickers	25	24	25	25
Vipond Cons.	89	86	88	87½
Wakenda	4	3	4	4
Wasapika	4¼	3⅛	4	3¼
West Dome	27½	—	—	—
West Tree	9½	5¼	8¾	5½
Wettlaufer	10	8½	10	9½
Wright Har.	3.50	3.10	3.35	3.15
(New York Prices)				
Inter.				
Nickel, com.	11⅛	10⅜	10½	11¼
Do. pref.	75	—	—	77¼

BROKERS, ATTENTION!

Owing to recent rulings of the Ontario Companies Act, making it practically prohibitory for mining development companies to advertise and sell their stock direct to the public, except through Brokers and Stock Exchanges, Advertiser desires to get in touch with A1 Brokers, open to undertake placing of a substantial Gold Mine development issue.

Property is situated in the heart of the Kirkland Lake Gold Area, fully paid for, and patented. After extensive surface exploration, there still remains over 60 per cent. of its $2,000,000 capital authorized.

Full particulars will be sent to Brokers with best connections in both Canadian and American cities, only.

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"Timely Talks on Mining"

By

Irving J. Isbell

TALK NUMBER TEN—MODERN MINING

This is an age of tremendous advancement in science, or rather the application of science in the promotion of industrialism. Most modern industrial plants have by now recognized the advantages of research, and most of the big plants throughout America have their own laboratories where scientists are constantly at work improving methods and eliminating waste. Some comedian a short while ago said that the modern packing institution used every part of the animals killed but the squeal, and this is now almost literally true. The elimination of needless waste, both in labor and materials, is to-day the foundation on which most successful industries are based.

In no industry has there been greater progress than in precious metal mining. I was reading somewhere the other day of the methods used to mine gold and silver in France in the 18th century. Having just recently visited the gold and silver camps of Northern Ontario, I could not help but contrast the methods of a couple of hundred years ago with those of the present day, as exemplified by such mines as the Hollinger, McIntyre, Dome, Lake Shore, Coniagas, etc., or for that matter by any of the companies which are developing mines.

Mining to-day has become an exact science. This is proven by the fact that less than half an ounce of gold, finely disseminated through a whole ton of hard rock can be located, developed, trammed, hoisted, crushed and treated and only a few cents' worth lost. At most of the mines extraction is now so good that 98 per cent. of the gold is recovered, and all this work is done at a cost of about 50 per cent. of the value of the gold; in other words, ore running $10 per ton in gold can be handled to show a profit of about $5. Now when you get a mine like Hollinger handling 4,500 tons a day, you can readily see where the big profits are made in gold mining. Every known device of modern applied science is utilized to reduce costs in gold mining because the price of gold is standard at $20.67 an ounce and the only way to increase profits is to cut down the cost of getting it.

It is on this account that every modern mine has a most elaborate cost system and every item that goes into recovering the gold is apportioned its share. I honestly believe that if other industries placed the same importance on costs as they do in mining, there would be fewer failures and industrial stocks would be safer for investment.

A couple of hundred years ago, mining was a slow, expensive, hit or miss proposition. Little was known of geology, and practically nothing was known of the efficient handling of ore, etc. To-day, by means of air drills and dynamite, it is not an uncommon thing for a shaft to be sunk at the rate of 100 feet a month. In the old days, they used to soften the rock by building huge fires and then using pick axes. Most of the crude machinery they had for crushing and hoisting was run by human or animal power. Imagine how long it would take, using the old-fashioned methods, to duplicate the underground workings of Hollinger, which are now in excess of 65 miles through solid rock.

One of the most revolutionary devices of modern mining is the diamond drill. This is a steel tube about an inch or so in diameter pointed with black diamonds. This instrument is revolved by machinery, cutting a small hole in the rock and the core of rock comes out of the top. Diamond drilling enables the mines to test out geological formations and to locate and measure ore bodies hundreds of feet in the ground and by assaying the cores, gold values can be accurately determined. This is one of the most efficient and inexpensive methods of exploration and I believe I am right in saying that many mines have been located by diamond drilling which would otherwise possibly never be found.

The usual procedure is to diamond drill veins which have been uncovered on the surface of a property to determine if the vein is persisting to depth in order that the operators may know whether to spend the money required to sink shafts, etc. This is one of the most approved modern methods and it is being used extensively in the Rouyn Gold Area of Quebec, the big new gold camp of the North. Diamond drilling is being done on the Noranda in Rouyn, where some extraordinary surface showings have been uncovered and the drilling is getting splendid results according to reports.

The same method is to be employed at the Rouyn Gold Mines property. This company owns 1,000 acres to the south of the Noranda in the Pelletier Lake section, which is now regarded the most promising of the whole area. Upwards of fourteen good veins have been uncovered, one of which is 60 feet wide and shows good gold values. The company is planning to diamond drill these veins to a depth of several hundred feet to establish their permanency before going ahead with their shafts and underground tunnels.

Work to date on the Rouyn Gold Mines property has produced such exceptional results that I fully believe it is going to turn out one of the big mines of the district. An engineer who was one of the first mine captains at the Hollinger in the early days of Porcupine has assured me that surface showings in Rouyn are far better than those in Porcupine at the same stage of development, which is why I believe that there are going to be a lot of big mines in Rouyn and that Rouyn Gold Mines will be one of them.

The shares of this company are listed in Montreal and trading is to start next Monday. I honestly believe that anyone who buys Rouyn Gold Mines shares while the stock is cheap will make big profits as the mine develops, and while I would not advise this stock as an investment of the "widows and orphans" type, I do regard it as one of the best business man's speculation I have ever seen. And I advise investors who are in the market for a real good speculation to buy a few hundred shares of this stock while the price is low and hold it for a while.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Eleven" will appear in the issue of Novemcber 9.

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ANOTHER NEW PLAY

Commencing Monday, Nov. 5th
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Just Like Judy

A Comedy in Three Acts
By Ernest Denny

Beatrice Draycott ..... Miss Catherine Willard
Mrs. Draycott ..... Miss Deidre Doyle
Millicent Draycott .. Miss Madeleine Chrisholm
Hugh Crauford ..... Mr. Geoffrey Wardwell
Judith McCarthy ..... Miss Alison Bradshaw
Jimmy Draycott ..... Mr. Montague Rutherford
Trixie O'Farrell ..... Miss Phyllis Joyce
Peter Keppel. (Put-it-off-Peter) ..... Mr. Charles Warburton
Dr. Walpole ..... Mr. Elmer Buffham

ACT 1: Peter Keppel's Studio, Chelsea "Peter Puts It Off"
Time: Late Afternoon.
ACT 11: Same—the following morning. "The Awakening"
ACT 111: Same—Evening of the same day "Peter Does It Now"

This delightful English comedy was produced in London at St. Martin's Theatre, and was a real success. The plot is quite out of the ordinary, the principal characters involved being Judy, who is frank, clever and impetuous; Peter, whose procrastinations have earned him the nickname of "Put-it-off-Peter" and Beatrice, who is as uncertain as a weathervane and whose changeable mind causes a lot of the trouble.

Judy suddenly arrives from Paris to find Beatrice, who is her greatest friend, furiously angry because Peter, to whom she is engaged, has put off their wedding for the third time. Judy also discovers to her alarm that Beatrice is wavering between her loyalty to Peter and a growing attachment for Hugh Crauford, who is taking advantage of Peter's neglect. Judy, knowing Crauford's reputation and fearing that Beatrice may marry him in haste and repent in earnest, decides to "do something" to prevent this and to bring Peter, whom she has never met, to his senses. Judy is not called impetuous for nothing: Within a very brief period she manages to (1) to impersonate Trixie O'Farrell, an artist's model; (2) to be instrumental in causing Peter to strike his head against the mantelpiece and lose consciousness; (3) to convince him when he regains it within a few hours that three weeks have elapsed and that during the interim they have been married and (4) —most unlooked for contingency—to fall in love with him herself! Nothing that Judy has planned materializes, but "All's Well that Ends Well!"

"Just Like Judy" is a welcome successor to "If Winter Comes" and its initial performance is looked forward to with much interest in theatre-going circles.

Evening Curtain Rises 8.30. Prices, 50c, 75c, $1.00 and $1.50
Thursday and Saturday Matinees, 2.30
Prices, all seats, 50c.
Orchestra plays 20 minutes before rise of curtain

Make reservations at once as seating capacity is limited. Phone Adelaide 8380.

REGENT WEEK OF NOVEMBER 5
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"THE CIRCLE"
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IMPERIAL BANK

The Imperial Bank of Canada are showing their confidence in Kirkland Lake mining camp by erecting a solid brick banking office in Kirkland Lake. The building will be 26 x 30, two story, filled up with safety deposit boxes. They expect to occupy the new premises on January 1st, 1924. The manager is S. B. Moore.

H. S. Scribner, who has been accountant in the Bank of Nova Scotia here for the past several years, left recently for Halifax, where he has been transferred. Mr. Scribner's first notification was to report at the general office, Toronto, but later was notified to proceed direct to his new position.—The News, Amherst.

NEWS OF THE BANKS AND BANKING

BANK FAILURES IN UNITED STATES REFLECT CONDITIONS IN BUSINESS DESPITE THE RIGID BANK INSPECTION

Statistics Also Indicate That Inspection is not a Sure Guarantee Against Failure — Some Bankers Think Government Supervision is Carried too Far for Good of Business

ARTICLE IV.

Government supervision of banking is carried on in the United States to an extent undreamed of in other parts of the world. American bankers will often tell you that at times, what with this inspection and that, they find it difficult to conduct their affairs. When one remembers the fact that many banks are subjected to the supervision of the Federal Reserve Board, the local Federal Reserve officials, the Comptroller of the Currency and his local representatives, not to mention the State officials in charge of banking, this can be appreciated.

It is safe to say that if Government supervision could make banking safe for depositors and shareholders, they should be unusually safe in the United States.

But are they?

The story is told concisely in the tabulation which accompanies this article showing the record of bank failures in the United States from 1914 to 1922. This indicates that despite the elaborate machinery maintained by both the Federal and State government for the supervision of the National and State banks, failures continue, and at the close of the fiscal year 1922, were on the increase.

There are two facts about this tabulation which should interest the Canadian student of bank supervision in the United States. The first is the wide difference between the number of national bank failures and the failures of state chartered institutions. The state banks failures far outnumber the national bank failures.

The second fact is that, apparently during the years 1917, 1918, 1919 and 1920, failures of both national and state banks reached a low point for the nine-year period under review, but that in 1921 and 1922 they increased in number most surprisingly.

Are Nationals Safer?

The first of these two facts, that regarding the difference between the number of national and state bank failures, may, of course, be partly accounted for by the other fact that numerically state chartered institutions far outnumber national banks. It thus might be said, that it was to be expected that national failures should be fewer in number than the failures among state banks. But such a statement would not be fair to the national banks.

Of the 31,000 banks in the United States, only slightly over 8,670 are national banks. While the total capital and surplus of the 31,000 banks is said to be about $7,108,150,000, that of the national banks at the end of September last was $1,307,000,000. But while numerically and from the point of view of capital and surplus the state banks far outdistance the national banks, it must be pointed out that on the basis of the above figures the average state bank has a capital and surplus of only $31,112, while the average national bank has a capital and surplus of well over $150,000. If we take this into consideration, it becomes plain that the average national bank equals at least five state banks. When one national bank fails, broadly speaking, it may be said that the banking capital invested affected is about the same as it would be if five average sized state banks went under. This fact should be taken into consideration when considering the statistics in the accompanying tabulation. If this is done the rather interesting conclusion appears to force itself on your attention that while numerically the national banks appear to have a better record during the past nine years, actually when we regard the failure record from the point of view of bank capital and surplus involved in the failures, the advantage on the side of the national banks does not appear so great. And the national system of bank supervision was the most rigid in the United States, if not in the world!

Reflection of Conditions

If we were to plot a curve of bank failures in the United States over the nine years ending June 30, 1922, we would find that this curve paralleled virtually throughout that period the general course of the business cycle. In other words, that when business was bad, bank difficulties and eventually bank failures, increased. And that apparently banks, no matter how rigidly they may be inspected and no matter how closely governments of various kinds may attempt to regulate their operations, are almost as dependent as industrial concerns, upon the existence of stability and prosperity. Bad times inevitably decrease their profits and eventually drive the poorly managed ones to the wall.

BANK FAILURES IN U. S.—1914-1922
(000 omitted)

Year Ending June 30	State (Commercial)			Savings Banks			Loan and Trust Comp.		
	No.	Assets	Liab.	No.	Assets	Liab.	No.	Assets	Liab.
1914	53	$ 8,947	$11,511	7	$ 643	$ 769	9	$ 7,948	$ 8,752
1915	57	3,600	4,820	5	4,255	4,335	9	988	1,341
1916	23	2,148	2,991	3	7,750	11,885	3	256	257
1917	15	2,539	3,351	1	75	100	4	1,470	1,898
1918	12	861	1,094	1	60	80	2	1,845	1,651
1919	35	——	7,775	2	——	85	4	——	3,978
1920	32	——	11,945	—	——	——	3	——	65,535
1921	263	——	24,810	13	——	2,736	26	——	17,641
1922	306	——	73,044	11	——	2,248	35	——	——

Year Ending June 30	Private Banks			National Banks			Total State		
	No.	Assets	Liab.	No.	Assets	Liab.	No.	Assets	Liab.
1914	27	3,063	11,027	21	12,038	9,774	96	20,601	32,500
1915	39	7,652	17,360	14	16,832	12,767	110	16,495	27,866
1916	12	358	877	13	3,868	3,020	41	10,512	16,010
1917	15	2,668	5,478	7	6,895	5,282	35	6,752	11,300
1918	10	6,429	7,186	2	2,300	2,359	25	9,195	10,258
1919	1	——	100	1	535	496	42	——	9,611
1920	9	——	3,031	5	2,739	1,930	44	——	18,955
1921	28	——	3,044	28	18,806	17,301	330	——	96,124
1922	12	——	3,000	33	21,679	20,287	364	——	95,933

Banks Organize Educative Club

SWIFT CURRENT.—The banking fraternity of Swift Current has organized a social, recreational and educative club. The association was launched at a get-together banquet presided over by Mr. Cornwall, manager of the Bank of Montreal, and dean of the banking management in point of local service. The inspiration for organization was outlined by Mr. McCaul, manager of the Canadian Bank of Commerce, who referred to the tendency in business and industry in the direction of higher education, mentioning the special banking courses provided since 1914 through Canadian universities. Importance of broad cultural training for bank men from a business and social standpoint was stressed. There was a great responsibility resting upon the junior men to equip themselves for executive positions and well educated and well informed bankers were an important asset to the community.

In addition to the president, Mr. Cornwall, the officers of the association include, vice-president, Mr. Boyton-Coffey, manager of the Union Bank; secretary, Mr. Ross, of the Canadian Bank of Commerce, and Mr. McCaul, of the Commerce, and Mr. Jones, of the Royal Bank, on the executive.

Staff Gossip.

Chas. Abercrombie, of the local branch of the Imperial Bank, has been transferred to the branch at Galt.—The Free Press, Essex.

* * *

W. R. Learmouth, relieving manager of the Union Bank at Mossbank, Sask., has been transferred to Hastings, Ont. —The Post, Regina.

* * *

Earl Russell, of the Bank of Nova Scotia staff, has been transferred to Albany, P.E.I., and has left to assume his new duties.—Telegraph-Journal, St. John.

* * *

E. McLean, for the past three years on the staff of the Bank of Montreal here, left for Mitchell, where he will take accountant's position.—The Sun, West Lorne.

* * *

Elgin Simpson, of the Bank of Hamilton staff, has been transferred to Listowel, succeeding Carl Gabel, who has been moved to Paris. He is succeeded here by A. Donnelly of Neustadt.—The Banner, Listowel.

* * *

F. E. P. Proctor, who has been the accommodating receiving teller at the local branch of the Bank of Montreal for some time, has been transferred to the Trail branch of the same bank. Mr. Proctor will be succeeded by J. Willet. —The Miner, Rossland.

* * *

The death occurred at Kingston, of W. Bernard Browne, formerly manager of the Kingston Bankers' Clearing House. He spent his years with the Merchants, Northern, Crown and Royal banks. Ill health caused retirement from the latter position about nine months ago.—The Mail & Empire, Toronto.

* * *

Two new members have been added to the staff of the local branch of the Bank of Montreal, replacing F. B. Poole, who has returned to Western University, and Mr. Darplatt, who has entered business in Detroit. J. D. Code, who comes from Creemore, is assistant for the sub-agencies, and G. W. Reynolds formerly of Yarker, Ont., is current ledgerkeeper.—The Journal, St. Thomas.

* * *

F. L. Graham, newly-appointed manager of the main Winnipeg branch of the Bank of Nova Scotia, has arrived in the city from Havana, Cuba, to assume his new position. Mr. Graham has been manager of the Havana branch of the bank for the last 13 years. He is succeeding F. W. Ross, who has been manager here since 1916. It is an exchange of positions, as Mr. Ross leaves Winnipeg for Havana to assume the position vacated by Mr. Graham.

* * *

Both have had long service with the Bank of Nova Scotia. Mr. Ross has served for 28 years. He was manager of the Edmonton branch in 1902 and was in Jamaica for 10 years. Mr. Graham has been with the bank for 25 years. He was 10 years with the bank in the West Indies and has served in Porto Rica in addition to his service in Cuba.—The Tribune, Winnipeg.

Too Many Branch Banks in Prairie Provinces

REGINA.—There are too many branch banks in Western Canada, and a merger or series of mergers that would close a large percentage of them would be a real financial aid to the banking institutions and an indirect economic benefit to the country.

That is the opinion of leading Regina bank managers interviewed by The Leader. They point out that Saskatchewan, with a comparatively sparse population, is overrun by hundreds of branch banks, a large proportion of which are not paying expenses and are a liability to their head offices.

SHOULD BE MORE MEN RESPONSIBLE TO DIRECTORATE

Not Enough to Have General Manager Alone in Contact

It has often been suggested that the general managers of Canadian banks are over-worked officials. Practically every transaction must be passed upon by this one official; too much of the burden of administering millions of dollars of assets falls upon his shoulders. The system that makes this possible is not fair to the general managers and it is equally unfair to directors, shareholders and depositors. In the case of the Home Bank there were at least three or four directors who claim that they had no knowledge of the way things were going; they were forced to accept statements handed to them by the general manager of the bank and had no way of checking up these reports. In the following article a man trained in Canadian banking offers a suggestion for the distribution of the general manager's work over a wider number of persons to the end not only of relieving him of some of the pressure of his work but of protecting directors, shareholders and depositors by having trained bankers to check over his decisions. The scheme moreover does not offer any of the objections of governmental inspection. The writer of the article was an inspector for one of the largest Canadian banks before entering a different sphere of financial work.—J. W. T.

A general topic of conversation is the Canadian banking system; its merits and weaknesses. Witnesses on one side aver that the banking system of Canada is the best possible, and the recent long prolonged discussion on the occasion of the bank act amendment, which resulted in only a few changes, suggests that the general scheme is a sound one and based on ripe experience. On the other hand writers claim that results are disappointing and that the developments of the last year call for some form of government inspection and control. For reasons already given prominence, the government does not relish the task and its implied responsibility, while the banks, which have nothing to lose under such a system of inspection, hesitate to have it established, because of its possible effect on business, and principally because they feel that banking should be outside of political influence. The average business man agrees with this view in his heart, but earnestly desires some supervision which will prevent the wrecking of a bank by bad or reckless management.

Directors are Limited

There is no doubt that the responsibility of management must be placed fairly and squarely on the shoulders of the directors, and that they must must be prepared to assume it. There are natural difficulties, however, in having all credits considered by a board of directors as a whole, and time would not permit of even a reasonable proportion of a large bank's business being considered in detail at the regular meetings, where many demands for additional information would be forthcoming, resulting in delay and confusion. An unscrupulous general manager, or a particularly powerful and dominating one, usually succeeds in getting his own way at almost any meeting of a board, either of a bank or any other business concern, especially where up to a certain point the board has had reason to rely on his judgment and experience, based on his successful record. But a general manager is human, and at a stage in his career he may be carried away.

Inasmuch as he is the only official, usually, with access to the board meetings, his subordinate officials' opinions can be, and probably usually are, disposed of before the relative business is considered at a board meeting. The result is, of course that a large bank to-day can be dictatorially controlled by one man, and no board of directors, no matter how respectable and capable, can hope to maintain proper contact with the general business being transacted unless some arrangement is made for reports independent of the general manager himself. This is particularly true of accounts fundamentally sound at the outset when approved by the board, but which develop signs of weakness in the ordinary course of time. This can happen, and has happened, in the case of the best conducted businesses.

Some Misleading Reports

Fortunately for Canada its leading bankers have been men beyond reproach, and deliberately misleading reports by general managers have not been common. But they have occurred, and members of boards, who usually have many other interests to think of, might again awaken to find that all is not as it should be. The solution would seem to be the elevation of other officials of the banks to positions where their responsibility would be a direct one to the board if they desired to use this authority.

The natural officials would be the chief inspector and the senior officials in charge of the daily granting of credit. These officials might be appointed directly by the directors with clear instructions that where their opinions differ from the general management their views must be communicated to the board for the directors' decision. In such cases a minute covering the particular case must be recorded and signed by the individual directors present. All general managers holding office would have it entered in their contracts, or endorsed, that these officials will be expected to perform this duty, and that their doing so could not be considered as a breach of discipline. In all other respects the power of a general manager would be transcendent.

Would Add to Efficiency

Such a scheme would not be burdensome in routine, or expensive. It would certainly add efficiency to the work of internal inspection, now a matter really under the control of the general management, and the board could reasonably feel that all applications coming before it had had the additional safeguard of approval by trained minds acting independently of one another. Appointments of the officials named, coming as they would from the board direct, and as a result of their own selection, would remove from their minds a natural hesitation to oppose the decisions of a general manager on whose goodwill they practically depend to-day, and a general manager would not be hampered in his work, as it would not take long for a board of outstanding men to remove an official whose sense of judgment was unequal to the work and who opposed a general manager so frequently as to create distrust of his own ability.

No government scheme of supervision could better the supervision of a trained banker by a trained banker. The maintenance of secrecy under such a scheme as regards their affairs should also appeal to customers seeking credit.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES	Oct. 25, 1923	Change	%
Toronto . . .	$197,709,910+	$110,971,793	127.9
Montreal . . .	123,977,326+	35,861,004	40.5
Hamilton . . .	6,266,302+	861,053	15.9
Ottawa	6,070,218+	470,195	8.4
Quebec	6,019,650+	959,467	18.9
Halifax	3,763,581+	1,492,706	65.7
Windsor	3,472,588—	80,240	2.2
London	3,159,147+	752,440	31.2
St. John . . .	2,785,827+	313,841	12.7
Brantford . . .	1,100,351+	185,055	20.2
Kitchener . . .	1,027,374+	51,489	5.2
Peterboro' . . .	913,146+	237,621	35.2
Moncton	890,610—	303,028	25.4
Sherbrooke . . .	816,853+	93,470	11.4
Kingston . . .	674,806+	85,419	14.5
Total East . .	$358,647,689+	$151,942,285	73.5

WESTERN CITIES	Oct. 25, 1923	Change	%
Winnipeg . . .	$ 72,202,066—	$6,314,441	8.0
Vancouver . . .	15,862,822+	2,845,913	21.8
Calgary	6,909,551+	690,750	11.1
Regina	4,557,295—	518,565	10.2
Edmonton . . .	3,989,390—	201,608	4.8
Saskatoon . . .	2,364,841+	299,868	10.7
Victoria	2,227,755+	378,188	20.4
Moose Jaw . . .	1,620,634—	106,755	6.1
Fort William . .	1,329,486+	424,223	46.8
Brandon	718,406—	49,460	6.4
Lethbridge . . .	715,643—	68,091	8.7
N. Westminster	584,499+	85,591	17.2
Prince Albert . .	382,404+	6,812	1.8
Total West . .	$113,464,792—	$2,527,575	2.2
Grand total .	$472,112,481+	$149,414,710	46.3
Medicine Hat .	848,116		
Yr. to date . .	$13,535,148,701+	$713,506,703	5.3

Exchange

An investigation of foreign currencies and exchange rates has been commenced by the U. S. Senate Commission of Gold and Silver Inquiry. The investigation will take the form of a study of the movement of the exchanges and currency conditions of the leading countries, with particular reference to the adverse effects of depreciating and fluctuating exchange upon our foreign trade and general economic conditions. Among the questions which will be the subject of special study are the following: The large issues of inconvertible paper money in the different countries, backed by meagre metallic reserves; the inflation and deflation of credit and currency; changes in price levels; governmental debts, revenues and expenditures; foreign trade balances; also the effect of political conditions upon exchange rates.

The British government is showing no disposition to meet the situation of industrial depression, and unemployment, by currency inflation, as has been suggested at the Economic Conference.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
Oct. 25 ..	1 15-16	1 11-16	*9-64	5-32
Oct. 26 ..	1 3-4	1 9-16	*9-64	5-32
Oct. 27 ..	1 1-2	1 5-16	*9-64	5-32
Oct. 29 ..	1 13-32	1 1-4	*1-8	9-64
Oct. 30 ..	1 11-32	1 1-4	*1-8	5-32
Oct. 31 ..	1 11-32	1 5-16	*1-8	9-64

*Discount.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Oct. 25	4.49⅛	5.83	4.51
Oct. 26	4.50	5.82½	4.52¾
Oct. 27	4.49½	5.91½	4.52¾
Oct. 29	4.48 5-16	5.84	4.48¾
Oct. 30	4.48 5-16	5.88	4.49½
Oct. 31	4.48⅜	5.87	4.50

NOVA SCOTIA

A branch of the bank of Nova Scotia has been established at Santiago de Cuba, under the management of V. J. Cox.

THE 10 BEST INVESTMENTS

We have prepared a list of seventeen matured dividend-paying stocks, which we recommend for investment from the point of view of security of principal, and continuity of dividend payments, which securities at the moment give unusually high income returns.

Of this list, we have segregated ten of the securities as being, in our opinion, representative of the highest grade of investment stocks on this continent. In other words, we consider these "the ten best investments" on the Canadian market.

Current low prices are due to recent universal depression in international markets, which in no way affects the intrinsic values of the securities we have chosen.

Holders of 1923 Victories should consult us in regard to reinvestment of funds received from November 1st maturity.

Dickinson & Walbank
Members Montreal Stock Exchange
152 St. James Street, Montreal
Main 4090
T. Kelly Dickinson. J. Y. K. Walbank.
W. McLea Walbank.

ONTARIO NATIONAL Agent Sails to Open London Office

THE ONTARIO NATIONAL has entered the English market. Charged with the responsibility of placing the development program of this Corporation before the Old Country public, and spreading the gospel of Ontario's golden north throughout the British Isles, an ONTARIO NATIONAL representative sailed last week to establish the London office. All matters of the Corporation and activities which have a bearing on the British public will receive his personal direction.

Among other duties, he will superintend the exhibit of PORCUPINE GRANDE ore specimens which have been requested by the United Empire Exhibition. The PORCUPINE GRANDE is the property which last week recorded an exceptionally rich and promising gold strike under the core drill.

British Capital Coming

Stimulated by their own experts and engineers, British financiers are displaying a lively interest in the wealth of Porcupine and Kirkland Lake gold areas. They are seeking a share in the building of this internationally-important enterprise.

As the well-known mining authority, J. H. Curle, pointed out in the London Mining World:

"I would like to appeal to every finance, every exploration, every mining company in London which has money in hand and no mine, to consider the position (Northern Ontario). Some millions of pounds ought to be sunk in development over there."

The special officer of the ONTARIO NATIONAL, now sailing, is a Canadian of standing and repute. He possesses a powerful and influential clientele overseas, and in the past has brought British capital in large amounts to Canadian industries. His major activity in London will be the brokerage of ONTARIO NATIONAL properties, proven and passed upon by the engineering staff.

ONTARIO NATIONAL DEVELOPMENT CORPORATION LTD.
Offices: 504-5 Confederation Life Building; 674 Danforth Ave.
TORONTO
Telephones: Main 1830, Gerrard 5115-6.

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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Single Insertion .... $2.80 per inch
Financial Reports, Debenture Notices, etc., 20c. per agate line

SUBSCRIPTION PRICE:

Canada, the United States and Mexico....... $5.00 per annum
Great Britain, Ireland, and Colonies, having minimum postal rates .... £1 1s. 6d.
France and other countries .... £1 7s. 6d.
Subscribers are especially requested to report any instance or delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 126 Bleury St., F. S. Chalmers; WINNIPEG, 610 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard, Phone Dearborn 8694; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E. C., E. J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, NOVEMBER 2, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

TOO MUCH NATIONAL OVERHEAD

THE creation of more jobs and therefore the piling up of more permanent expense on our already tax-ridden people seems to be the inevitable result of every gathering of Empire or world statesmen.

Running all through the despatches on the London Imperial Conferences we see suggestions for the establishment of new ministries, of Imperial committees with their large staffs of civil servants to aid them. At the rate we are going, the Allied nations and the Empire will soon be more tail than dog. Already, as Count Apponyi pointed out, the League of Nations is a close corporation of permanent officials attempting to wag the nations. We are being burdened with tremendous and unnecessary overhead expenses. In one of our national departments a minister says he has 500 more men than he requires.

As far as Canada is concerned, we are better served by the present High Commissioner and his organization than we would be by the establishment of a Resident Minister and more large staffs in London, and the additional Canadian committees to confer with other committees that are being suggested. The great weakness of any representation in London is the ease with which our representatives succumb to the blandishments of British society. A distinguished American statesman said recently that this was such a real danger that the United States should change its Ambassador every six months.

DUMPING GERMAN GOODS

THE serious problem of competition of goods dumped by countries with depreciated currencies, which is worrying Canadian manufacturers, was given point by the shipments of German goods recently reported at Montreal. American manufacturers have been studying the same question. At the convention of the National Hardware Association in Atlantic City recently further tariff protection was urged against imports of cheap foreign hardware.

Figures submitted at the Atlantic City convention showed a big increase in the volume of these German imports, and it was stated that foreign goods were being laid down in America to-day cheaper than a year ago. One manufacturer showed samples of a first quality foreign screw driver which could be procured in 4, 5 and 6 inch sizes and laid down, duty paid, in America for $4.75 per gross. Other prices quoted were $1.25 per gross for aluminum cutlery, 24c for coffee grinders, etc.

The reason for the low prices, in the face of a 20 per cent. export duty in country of export, and heavy import duties, was said to be the fact that the workmen in certain European countries were producing for the equivalent of 28 cents a day as much as the average American workman. A significant point about this trade was that buyers were offered twelve month terms on settlement without interest, providing at least half the amount involved was invested in American securities in the name of the foreign concern.

Canadian manufacturers agree with American manufacturers that this competition of foreign goods is a serious matter and urge that effective steps be taken to prevent dumping which results in cut-throat competition because of the depreciated values of certain European currencies.

GOVERNMENT REGULATION IN ROUMANIA

IN ROUMANIA the government has undertaken the regulation of business with a firm hand, and although it is chiefly an agricultural country, the farmers are very much dissatisfied with the policies. In fact nobody seems to be happy over the conditions, says the National City Bank of New York. The people who favor governmental interference in business affairs, do so only upon condition that it will be the kind of regulation approved of by them. If they are growing wheat it must be legislation that will raise the price of wheat without raising any other prices; if they are mining coal, they would like the government to take over the coal mines and raise the wages in that industry, and so on.

In actual practice government regulation means dictatorship by a few individuals, and although they may be clever politicians, eloquent speech-makers, and even exceptionally able men in some lines and entirely sincere in their purpose to govern well, they are quite certain to prove inadequate to the task of managing all the industries of a country.

The London Times has a letter from Roumania, telling something of government regulation there, from which the following extract is taken:

> M. Ventila Bratianu, the Prime Minister's brother, who is the Minister of Finance, has his own theory about Roumania's problem and refuses to budge from it. He has throttled down food exports to make living cheap. Agriculture, the main industry of the country, is suffering in consequence. The amount of wheat grown is on the decline, because the price is controlled. There is an embargo on the export of cattle, so that the herds of Transylvania are eating their heads off by tens of thousands in order that meat may be cheap in Bukarest. Nevertheless, the general cost of living continues to rise. Rigid economy has been made in the budget with the object of stabilizing the leu. As a result the government employees are so miserably underpaid that they cannot live without taking bribes, while the railways are a danger to the travelling public. The leu continues to fall all the same. M. Bratianu's theory may be sound, but it does not make the government popular.
>
> The general result is that business is dead. The peasant, who was rewarded at the end of the war with a plot of land, finds no encouragement to cultivate it. The landowning classes, who made great sacrifices to satisfy the peasants, have got nothing in return except rising prices and depreciating investments. The new provinces are paying a heavy price for having joined Roumania, and there discontent reaches its highest.

Reports from Roumania at the end of August stated that money was so stringent that credit was being strictly rationed by the national bank, and that borrowers in good standing were paying as high as 50 per cent. interest.

EVERY ONE BENEFITS FROM TOURIST TRAFFIC

VANCOUVER got $24,000,000 from its tourist traffic this summer and Quebec expects to get $50,000,000 a year very shortly. This money was widely distributed, not going only to hotels and retail stores. These may benefit directly but in the end the money spent by the tourists passes through a variety of hands and helps to quicken business activity in many lines. If a tourist spends $100 in a retail store, he is adding $100 to the turnover of the retail merchant but he is probably adding about $75 to the turnover of a wholesaler and about $65 to the turnover of some manufacturer. There are wages and similar expenditures all down the line.

It is all right to depend upon local merchants, cigar stores, gasoline filling stations and hotels to provide the impetus to keep local tourist and publicity bureaus going, but when tourist work is on a broader scale, having a provincial or national aspect, manufacturers and others removed from purely local affiliations must realize the business value to them of tourist work getting tourists into the country and provide not only financial aid to properly organized tourist bodies but also the moral support and advice of the executive heads of the companies.

THE PUBLIC PAYROLL

THE high cost of government in the United States is demonstrated by figures compiled by the National Industrial Conference Board, which is making a survey of taxation including the relation of the public payroll thereto. According to the Board's preliminary figures, 3,400,000 persons are now on the payrolls of the Federal Government, states and the municipalities or other public bodies. This means that out of every 12 persons over 16 years of age who are wage or salary earners, one is drawing recompense from a public payroll. The amount paid in wages from these public payrolls is $3,820,000,000 a year, which is calculated by the Board as representing an annual cost of $91 per year to every person in the United States over 16 years of age who is receiving salary or wages. In other words, the tax-paying class in the United States is required to pay $91 per year per capita merely for the salaries of persons who are on the public payroll.

Equally impressive is the Board's assertion that the amount paid to public employees equals 46 per cent. of the sum paid in wages to the employees of all factories in the United States producing more than $5,000 worth of goods per year. Otherwise stated, a non-productive class in the United States is drawing almost half as much money for its services as a much larger class whose work is largely the basis of United States national wealth and prosperity.

WHAT BRINGS TOURISTS

WHEN business men from a dry province journey to a wet, or moist, province—or vice versa—there is sure to be a discussion as to the merits or demerits of the different systems of dealing with the liquor question. Apart altogether from the moral or temperance side of the issue, there is the more practical phase of the effect on tourist traffic and in relation thereto the bearing on retail business. The Montrealer, for instance, will say that the city is filled with American tourists and delegates, who are not necessarily liquor consumers, but who, when on a holiday, like the atmosphere of a province which does not "strain at moral gnats," etc. On the other hand the Torontonian will present effective statistics to show that there has been no decline but rather an increase in tourist traffic in dry Ontario.

The opinion of the head of a big retail house doing business in both Toronto and Montreal should be interesting on this point. In a letter to THE FINANCIAL POST he says:

> We have no certain information as to the effect which the Quebec Liquor Control Act is having upon our own business. We believe, however, that the said Act has had the effect of encouraging and increasing travel into this Province from the United States and from the other Provinces of this Dominion.
>
> No doubt from the great volume of tourist travel, the merchants at Montreal and Quebec do receive certain advantages, but it would be difficult to estimate the extent of the same during the years in which the present Liquor Laws have been in force in comparison with the previous period.

It would seem true that the wet or moist provinces have the edge on the argument so far as tourist business is concerned but it must not be overlooked that conviviality is not the only attraction which may be offered to visitors and that many may seek to avoid what attracts others. Satisfactory hotels and resorts with comfortable accommodations and good service at reasonable prices, effectively advertised, are among the more important factors in developing the tourist business.

EDITORIAL NOTES

CANADIANS will buy more fish when they are convinced that they are getting an attractive food at an attractive price. They will not increase their purchases merely to help the business of the fish dealers.

* * * *

THERE seems little chance that the British government will regard with favor any proposal for inflation of the currency at this stage. The trouble with inflation is like blowing up a balloon to please a child—everything goes well until the bubble bursts.

* * * *

NOW THAT the railways have agreed on a viaduct policy for Toronto it is to be hoped that there will be less bull-headedness at the city hall. The travelling public is tired of a policy which for years has resulted in disgusting conditions in the country's biggest clearing house for passenger traffic.

* * * *

COMPLAINT is being heard from the Canadian boot and shoe manufacturers of the extent of British competition under the recent preferential tariff. However, comparison of the figures of imports hardly bears this out. The following totals indicate that imports in recent years have not been so high as in the years 1912 to 1915 and when the higher prices now prevailing are considered the figures are even more significant:

Imports of Boots and Shoes—Leather—from United Kingdom

12 months ended March—	
1912	$384,785
1913	548,622
1914	660,765
1915	551,215
1916	239,470
1917	179,230
1918	148,387
1919	79,439
1920	98,220
1921	360,584
12 months ended August—	
1922	383,148
1923	485,073

The Disruption of the German Reich

By James Mavor, Ph.D.

When Germany defeated Russia and occupied Poland and the Baltic provinces, the disintegration of the Russian Empire began. This disintegration continued after the March revolution of 1917, and progressed rapidly up to the humiliating treaty of Brest-Litovsk (March 3, 1918). The fragments into which the Empire was divided almost immediately engaged in internecine war—Moscow against the Ukraine and Poland against Moscow. Although the occupation by Germany of Russian territories facilitated the disintegration of the Russian Empire, the primary reason for the disintegration was undoubtedly the collapse of the Tsardom, which in effect was the only unifying influence of the Imperial system.

In the case of Germany, the historical circumstances which determined the union of the German States in the German Empire were different. There was a Confederation of German States before the Imperial system was established, that is to say, that the unifying influence was Germanism rather than the Emperor. Russia was a congeries of races; the population of Germany was predominantly of the German race. Thus while collapse of the Tsardom meant inevitably the disruption of Russia, the collapse of the House of Hohenzollern did not necessarily mean the disruption of Germany. The political parties in Germany are not separated by geograhpical boundaries, nor is the policy of these parties determined by regional considerations. The Reich or German Empire thus survived the Emperor and the dynasty. The dissolution of the Reich has, however, nevertheless begun. This dissolution has been primarily due to external causes, although internal causes now begin to play a certain rôle. The first step in the dissolution was the separation of the so-called Reichsland—Alsace and Lorraine. The next step was the annexation to Denmark of a portion of the Duchiês of Schleswig-Holstein. The next was the occupation by France of the Valley of the Saar, whether temporarily or permanently, no one can now tell. The next was the annexation to Poland, under French pressure, of Upper Silesia. The next was the occupation, whether temporary or permanent cannot be known, of the Valley of the Ruhr. Now three come altogether, three attempts at the formation of separate states wholly independent of any German unitary political system—the creation of a Saxon communist republic, the creation of a monarchical state in Bavaria and the creation of a new Republic of the Rhine.

The first step—the separation from the Reich of Alsace-Lorraine from Germany—was the inevitable consequence of the war. This region has been, within about a century, German, then French, then German again, then French again. The other steps were the outcome of French rather than of Allied policy and were imposed upon Germany by irresistible pressure from without or by reaction from within against that pressure.

It would appear that so far as the new Republic of the Rhine is concerned, that the formation of it was encouraged by France. If that is the case, the consequences within the region might be reaction against the formation of a separate state. If such a state be firmly established, it must be under the auspices of France and therefore the formation of it must appear in an unfavorable light to its non-French inhabitants. The effect of the operation of French policy must be to thrust the German frontier backwards. The Ruhr, the Saar, Luxembourg, and Alsace-Lorraine, must form a group of buffer states between the remainder of Germany and France with all that the formation of such states implies. The formation of these states renders military operations against France less easy than they were, but they also render Germany impregnable so long as they are neutral. How long can these relatively small independent states endure the pressure of the remnant of the Reich on the one hand and of the pressure of France on the other?

Assuming that the cardinal point of the French policy was the destruction of the political and therefore the military unity of Germany, has the French policy succeeded in its object? It is too soon to answer this question decisively.

Germany has been divided and re-united many times in her history. She may be re-united, and in the future—perhaps remote—France may find Germany more formidable than ever. Who can tell? But even for the immediate future, the question remains, has France succeeded in her policy? The mere possession of the Ruhr does not answer the question. If, within the Ruhr, the Saar and the Rhine, France encounters a sullen or hostile German population, chafing under foreign rule, and determined one day to avenge itself, success is not to be determined by mere possession. This very possession may make France more vulnerable.

It cannot be supposed that Prussia, now reduced to a smaller area than she possessed before the war of 1870-71, will submit tamely and indefinitely to her present situation. Already, according to French alarmists, she is arming herself for a new struggle. Undoubtedly if she is doing so, she is encountering enormous disadvantages—disunion among her own population, probable hostility if not actual existing hostility between herself and Saxony, as well as between herself and Bavaria. Yet Prussia is not altogether reduced to impotence. She has the dangerous alternative of an alliance with Soviet Russia. France has done her utmost to prevent military connection by land between Russia and Germany by aiding in the establishment of Poland and the Baltic States as well as the Little Entente. But France cannot prevent the connection between Russia and Germany by means of the Baltic. Nothing is more easy than the shipment of munitions of war and of men from Petrograd to Lübeck or Warnemunde. The Germans discounted the danger of such an alliance in the closing days of the war; they may do it again. It may be that in isolating Prussia, which she may have already succeeded in doing, France has prepared the way for a speedy recovery of Prussia alike in an economic and in a military sense, but in doing so, France has eliminated the influence of the best elements in the German Reich and committed herself to deal with the worst.

Assuming that the dissolution of the Reich is not merely temporary and formal, but continuous and real, the effect upon the reparations question is clear. So far as Prussia is concerned, there can be no more reparations. If Saxony and Bavaria choose to pay, they may. France may by military threats against Bavaria extort some payment. For her to advance against Saxony would be a more arduous task. Further advances into Prussia would now be futile. To annex the whole of the country would be impracticable and profitless. France may be able to extract some reparations from the Ruhr, the Saar, and

(Continued on page 14)

Comment on Banking Situation

BANKS SHOULD CO-OPERATE

Regina Post.

Writing in THE FINANCIAL POST on the system of bank inspection in use in the United States, James B. Forgan, of Chicago, says that each bank member of a clearing house is interested in the integrity of every other. "The failure of one clearing bank affects the confidence of the community in all," he adds.

At the Toronto meeting of clients in the defunct Home Bank, one "delegate" suggested that if bank stocks were to take a drop, through loss of national confidence in banking institutions, the banks would lose far more money than they would if they reimbursed the Home Bank depositors.

And if they did so there would be no loss of public confidence. If they were obliged to do so by their own guarantee, there could never be any danger of such loss. Why do not the Canadian chartered banks agree to some co-operative plan of inspection, under which they would keep their own house in order and positively guarantee 100 cents on the dollar to every depositor in any one of them?

NATIONAL BANKS

(Guelph Herald)

The press is silent over the question of a system of national banks, ensuring as it would the public against losses, but such a system is evidently gaining ground amongst the general public. If the Canadian Bankers' Association fail to take strong ground at once it is not inconceivable that irresistible pressure will not be exerted upon the Dominion Government to take action to ensure a national banking system.

As an example of how things are working we find Premier Tashereau of Quebec suggesting that the provinces take action along the lines of provincial banks. Apparently the Quebec premier has little hope of securing action at Ottawa, and consequently he suggests that the provincial governments protect the public as best they may. Of course, such a plan would not be nearly as good as a banking scheme covering the whole of the Dominion, and backed by Canada as a whole, but it may come if something is not done to remedy matters.

When we have a finance minister practically confessing to impotency along the only remedial line that can be suggested to ensure the safety of the existing banking system it naturally follows that a public very much at the mercy of bank directors and officials will demand a system of protection that will ensure them against loss either as the result of inefficiency, carelessness or dishonesty. Provincial banks would be a step toward meeting such a demand, but we submit it would not be comparable to a national banking system.

CURRENT FINANCIAL FALLACIES

(Montreal Gazette)

The collapse of the Home bank has revived several crude and infeasible proposals for rendering banks immune from failure. We remain convinced, however, that honesty is still the best policy, and that ability and prudence provide stronger safeguards than law can erect. The depositors of the Home Bank, said to number 60,000, are a unit in demanding that somebody shall make good their losses, which average about $250 for each depositor, the total deposits amounting to $15,000,000, ignoring altogether the view of the much larger number of persons who are asked to play the charitable part. Sympathy aplenty they are deserving of and doubtless receive, but it is well to remember that their claims in law and equity are upon the assets of the insolvent concern, including the double liability of its shareholders, and upon nothing else. The notion assiduously propagated that the Bankers' Association or the government has some responsibility in the matter is wholly fallacious. The law governing the operations of banks was when enacted the matured judgment of parliament based on experience; for breach of the law penalties were provided; but it was never contemplated that losses of depositors and shareholders arising out of mismanagement or untoward conditions should fall upon the public at large.

The Bankers' Association had no control over the affairs of the Home Bank, and it is a travesty of truth, mischievous in tendency, to otherwise pretend. The functions of the Bankers' Association, as defined by law, are few and explicit, relating to the appointment of a provisional curator in the event of the insolvency of any one of its members, and to supervision of the Central Gold Reserve and respecting excess of note issues for crop moving. In the first connection it will be noted that parliament in framing legislation realized that no enactment can give absolute assurance against financial failures; and, in the second, that the independence of the banks was preserved as something to be desired. We revert again to the essential distinction between voluntary and involuntary creditors, of whom depositors are one, and noteholders the other. The necessity of stability and uniformity in national currency needs no argument, and when government confers upon the banks the privilege of note issues, it is an imperative duty to make such currency sound and safe. Hence the provisions of law making each bank responsible for the note issues of all other banks, and as a consequence of this responsibility we have power of regulation given the Bankers' Association. As a matter of principle, the plan is objectionable; but it is the price exacted for the privilege, and in practice has worked well.

Depositors are in an entirely different position. They exercise option; they may entrust their savings to a government bank of which the number is legion, or to any one of the chartered banks. But the choice is theirs. Now, if all the banks are to be made responsible for repayment of deposits in each bank precisely as in the case of noteholders, it logically and inevitably follows that a bankers' trust will result, because if the banks are to be liable for the money coming in to any one member they must in fairness be given direction of the money going out. Responsibility and power go hand in hand; and it should be patent to the simplest mind that joint responsibility for payment of deposits would destroy the fundamental basis of our banking system. Ignorant criticism of that system has been directed against alleged money monopoly; and now, because a mismanaged petty institution runs on the rocks, the cry is raised for absolute monopoly, since guarantee of deposits involves centralized control of loans.

THE FINANCIAL POST, of Toronto, has become unduly alarmed over the Home Bank failure. It assumes that confidence in the banks has been shaken by this incident, and asserts that "it would have been good business for the banks to have made good to the Home depositors"; a proceeding not only illegal, but one well calculated to destroy the confidence of depositors in these institutions. The confidence of bank depositors has not been shaken by the Home Bank episode, and it is not necessary to burn down the house to roast a cutlet. Nor should it be forgotten that the Bank Act has recently undergone revision, of which the main feature is added security to creditors. It is inconceivable that the Home Bank mismanagement could have occurred under the present law, or that such imprudent loans as were made would not speedily have been detected. We do not want bank monopoly, nor a money trust in Canada, such as the suggestion of joint guarantee of deposits would create. What is wanted is a wider understanding of the Bank Act, an appreciation of the excellence of its provisions, a warranted conviction of the strength and solvency of the banks, and an unabated confidence in these institutions as the bulwark and chief agencies of trade. Credit is sensitive; upon it revolves the whole business machinery of the country; and we can imagine no more mischievous ignorance than that which misrepresents the scope of the banking law, which finds flaws that do not exist, and which out of the relatively trivial case of the Home Bank would make it appear that the banking system is defective.

C. B. A. SHOULD MEET SITUATION

(Calgary Herald)

That the depositors of the Home Bank should feel bitterly towards the government, and towards the Canadian Bankers' Association is to be expected. If the government, and the Bankers' Association, do not realize that the people of this country, generally,—those who had no deposits in the Home Bank—entertain much the same feeling, they both lack understanding of the real state of the public mind. This country has been more than amazed, it has been startled, to discover what is possible under the Banking Act. The people of Canada have been accustomed for many years to accept at their face value the declaration of the government and the bankers respecting the safety provisions of the Bank Act. The Home Bank case has been a financial earthquake that has shattered that confidence. The Merchants' Bank case caused loss only to the shareholders, which was bad enough; depositors still felt comfortably safe; they do not feel safe now—instead, they are wondering what may happen next, if the government and the Bankers' Association continue to find complacent excuses, instead of subjecting themselves to a searching self-examination as to the wisdom of their past course.

In the interests of the system of which the bankers and public alike have been proud, the Canadian Bankers' Association should now see that other measures will have to be taken to restore the confidence of depositors. The association should not wait till demands for provincial banks arise, or till an angry public demands specific safeguards in the Act; it should itself suggest remedies and protective measures to re-create that confidence which is the primary essential of a dependable banking system.

PERSONALS

CHARLES C. STEINMETZ, the electrical wizard of the General Electric Company, of which he was chief engineer for so many years, and whose death took place a few days ago, is reported to have left only an automobile several years out of date and life insurance for $1,500. Had he been so inclined he could probably have made a fortune, but he only asked the company for a laboratory and a home and what money he needed to live. He drew simply what he needed—which was not much, as he lived alone—and thus had to think only of his work, as was his desire. He was born in Breslau, Germany, in 1865, and emigrated to the United States in 1889 when he became connected with the old electrical firm of Osterheld and Eichemyer, which was absorbed when the General Electric was organized. He organized the Research Bureau of the company when the home offices were moved to Schenectady in 1894. He had written a number of technical text books on electricity most of which are considered authoritative in their special field. In 1902 he was given the honorary degree of A.M., by Harvard, and the year following Union University at which he was a professor of electrical engineering and electrophysics conferred the degree of Ph.D. on him.

To the

Holders of Victory Bonds

Due November 1st, 1923

Approximately $100,000,000 will be paid in cash to holders of Victory Bonds due November 1st. The average payment will be close to $1,000. The payments will be made to about one hundred thousand persons, representing practically every community throughout the Dominion.

If immediately invested the interest will amount in one year to more than $5,000,000. Canadians will be that much better off by reason of prompt reinvestment. Inasmuch as our national prosperity depends on the thrift of each individual, it is now more than ever vitally important to the Dominion and to the individual that every dollar be kept at work.

For the reinvestment of such funds there is no better security than the new issue of PROVINCE OF ONTARIO TWENTY-FIVE-YEAR 5% BONDS, DUE 15TH OCTOBER, 1948, WHICH MAY BE PURCHASED AT 98 AND INTEREST, YIELDING 5.14%. These bonds may be procured in denominations of $500 or $1,000.

Orders may be telegraphed or telephoned at our expense, and securities will be delivered to purchasers free of all delivery charges.

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Toronto, Adelaide 8201. *Montreal, Main 3050.* *Victoria, 105.*

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

LOEW'S

Hamilton Reader.—It was recently published in the Journal of Commerce, Boston, that Loews Windsor Theatres had declared the regular quarterly dividend of 1¾% and 3½% on the dividend arrears, all payable Oct. 15. Could you confirm this?

Loew's Windsor has not made any such payment. Payments of the nature you describe have been made by Loew's London, and evidently someone has got the two confused.

ORE CHIMNEY

Mining Syndicate, Hamilton.—I shall feel obliged if you will give me a report on Ore Chimney Mines.

Ore Chimney mines is a promotion that has been going the rounds for nine years or so and does not seem to get anywhere. We recently published a detailed report of their various operations taken from the reports of the department of mines. There are much better mining speculations than this.

LONDON LIFE POLICIES

Ontario Banker.—Will you kindly favor me with your opinion as to the financial standing of the London Life Assurance Company?

The London Life is now one of the largest Canadian companies. Its safety is beyond question and the policies it sells are attractive. On Dec. 31, 1921, it had assets of $15,920,518, and a surplus of $322,634, after providing for the required reserves against outstanding policies, accrued dividends, etc. The paid-up capital stock is $82,500, which is an additional security to policyholders.

NIPISSING

Doctor, Alberta.—Would be pleased to know what dividend Nipissing stock pays, and is it considered a good speculative risk in so far as mining stocks go?

Nipissing is a good speculative mining proposition. The dividend rate is now 18% and with the stock selling around $5.80 the yield is about 15½%. The company has a cash surplus of over $4,500,000. Recently it acquired a new property in Rouyn, Que., which caused the price of the shares to strengthen. The Nipissing property is good for many years yet.

EASTERN TOWNSHIPS

Prince Albert.—What do you know about the standing and prospects of Eastern Townships Telephone Company?

The Eastern Townships Telephone Company, of Sherbrooke, was recently taken under the wing of the Bell Telephone Company, which acquired a substantial interest in it. Exclusive territory has been alloted to the company, and this has considerably increased its earning power and prospects. We understand that arrears of bond interest are being cleaned up as rapidly as earnings warrant. The new connection should be of considerable value.

ASSOCIATED GOLDFIELDS

W. A. S., Hamilton.—I would appreciate some data on Associated Gold Fields. I have been asked to accept stock in this company as a security.

Associated Goldfields is developing a gold property in Larder Lake. They are also operating a couple of power projects. The capitalization is $30,000,000 with $22,000,000 outstanding. They are meeting with good success in their mining development but as you will see by the amount of outstanding capital, the chances of dividends such as a mining speculation should yield, are remote. The price of the shares (unlisted) is quite low.

ASBESTOS MINES

F.W.W., Sask.—What do you think of Asbestos Mines 8%, 10-year bonds? Is this another name for Asbestos Corp.?

Plans are now under foot to amalgamate Asbestos Mines, Limited, with the Black Lake Asbestos Corporation, under the name of International Asbestos Corporation. This would involve a new bond issue and the present issue of 8 per cent. 10-year bonds of Asbestos Mines would be redeemed at 110. If this merger goes through as planned those who have bought Asbestos Mines bonds would have a nice turnover within a short period on their investment. But the plans are not entirely definite and this is a speculative feature entirely.

You may be certain that a sound industrial corporation with proven earning powers does not have to sell its bonds to yield 8 per cent. This yield reflects the slightly speculative character of the issue. Nevertheless, we feel that they are fairly well protected and might be purchased as a speculative issue, but not if you are desiring a thoroughly safe investment.

This is not another name for Asbestos Corporation, which is a small company operating in territories close to that of the Asbestos Corporation.

ENGLISH ELECTRIC

C. W. F., Hamilton.—I shall be glad to have advice regarding the English Electric Co., and if you consider this a good speculative investment. Also as to the cause of the drop in the market price of the stock.

Recent reports are to the effect that the earnings of English Electric are improving. It is understood that the concern has quite a number of orders on hand. This, in fact, is general with all electric companies, most of whom are not only working at capacity but are booked up for a year or two. The drop in the market price of the issue followed the deferring of the preferred dividend. This stock is not listed and has only a narrow market for this reason.

L. R. STEEL

T. H. G., Toronto.—About Feb. 1921, I purchased five shares of common stock $55 per share in the L. R. Steel Incorp. No par value. In the event of a recovery what do you think would be my standing?

It is doubtful if your L. R. Steel holdings will ever be of any value. Recently it was stated that U. S. interests were looking into the concerns with an idea of taking them over. An answer may be forthcoming early in December. It was stated not long ago that if this deal goes through the creditors would be fully taken care of, and the shareholders might get some privileges. That may mean that they would be allowed to purchase some stock in the new concern.

CREDIT ALLIANCE-MANUFACTURERS

Enquirer, Cobalt. — We shall be obliged if you will give us any available information re Credit Alliance Financial and Manufacturers' Finance Corp. We understand that the former was taken over by the latter on a share for share basis. A client has purchased stock on the payment plan and wonders if she will be wise in completing her payments. She has had no notification of the change from the company learning of it only through the press.

Credit Alliance Financial, Ltd., was a product of the defunct R. T. Scott Company. For that reason it did not stand well. Substantial citizens of the Maritime provinces wanted a somewhat similar company to handle piano paper. They were induced to go into the Scott organization, which, by the way, was handling automobile paper, and succeeded in effecting reorganization. They had made a move to organize a company in the Maritimes, and when they got control of the Scott Company, decided that they would not launch the new company, but would change the name of the Scott organization so that it could handle both propositions. That is what has been done. Manufacturers' Finance Corporation Limited, is the name of the new company. In the end it should prove a better investment from the viewpoint of your client than her original one with Scott. When she completes her payments she will get Manufacturers' Finance stock. The head of the company informs us that notices of the change were sent to every shareholder.

CANADIAN CONNECTICUT

Would you kindly give me a report on the standing of Canadian Connecticut Cottons, Ltd. Would you consider the preferred stock a good buy at the present market and will the 12 per cent. dividends in arrears be paid in a reasonable time?

The enclosed advertisement was clipped from your issue last week. Do you consider this firm reliable?

Canadian Connecticut Cotton Mills seems to offer opportunities of a fair speculative investment. The company's earnings for the present year are likely to be in the neighborhood of $500,000, which estimate is based upon the fact that earnings for the six months ended March 10, were $261,231 before taxes. But the company is hardly seasoned yet and the earnings have fluctuated considerably since the present organization was formed about three or four years ago. This, together with the fact that the stock is only now beginning to get wider distribution, accounts for the low price at which it is selling.

If the earnings are not higher for this year as indicated by preliminary reports, there is no assurance that the 12% arrears on dividends will be paid off in the very near future, but this action may be looked forward to as likely to be accomplished within a reasonable period of time.

The stock is probably an excellent speculative investment for the business man in a position to accept the risk of an unseasoned industrial issue.

The firm which you mention is a member of the Montreal Stock Exchange. While it is a young firm having been in business only a few weeks, it is considered reliable and likely to be able to meet any commitments it may take on.

WOOD-GORRIE MOTORS

A. B. B., Montreal.—What do you think of the prospects of Wood-Gorrie Motors, Ltd., who are now selling stock?

The chances for success of a $50,000 company in the automobile field are practically nil. This is especially true of a company that proposes to manufacture such a highly competitive car as one with a six-cylinder motor. The company's literature states that it will obtain "economical production under the plan so wonderfully illustrated by the Ford Motor Car Company." But the plan of building automobiles outlined in the circular is directly different to the Ford plan of mass production, where each individual part is turned out in such tremendous quantities that the cost is lowered to the almost irreducible minimum. Wood-Gorrie Company hopes to give Canada "a high class Canadian automobile," but it will be largely an assembly proposition. A few motors will be bought, and a few ignition systems and a few carburetors, axles, transmission systems, etc., and these will be bolted together on a frame that may be made if the company ever gets enough money to set up a plant. It is obvious that the cost of producing such a car will be such that it cannot compete on a price basis with established cars of a similar type.

LOEW'S METROPOLITAN

S. H., Toronto.—Some time ago I purchased 5 preferred shares of Loews Montreal, paying $500 and getting a bonus of common. Now after a period of two years I am informed the building has gone back to the original owners and that Loews are unable to pay their creditors. The result is that apart from what was given to me as a dividend, $8.75, by the Acme Securities Corpn., which I found out later was not a dividend but a scheme of their own to get you to put more money into it, I haven't received a cent on it. It looks like a complete loss. Toronto shareholders have formed a protective committee and have asked me for $25. If they go ahead all creditors will be wiped out and the owners of the building will take a half interest. Do you think it advisable to pay the $25 or drop out altogether?

The shareholders' protective committee of Loew's Metropolitan, Montreal, is launching a new company to take over the theatre. It is to this new company you are being asked to subscribe. The theatre was purchased originally for $300,000, and a ten per cent. payment made. Remodelling was undertaken at a cost of something over $100,000. The final bills reached over $400,000. Bills piled up, the theatre lost money and finally closed. Then the taxes mounted and finally the vendors took the property back to protect themselves. The shareholders' committee has arranged a new deal on the basis of the old. The theatre, however, is worth more now because of the improvements made by Loew's Metropolitan. This is the only asset, created by the funds of the old company, to pass to the new. A mortgage is being arranged. This will take care of the present mortgage and clear up the heavy tax bills that remain unpaid. The Sparrow interests are giving credit to the new company for the principal and interest, $20,000 and $25,000 respectively, paid by the old company, and also charging interest on the unpaid balance, and for the taxes paid. The new company is now in possession. The funds being raised are for an operating fund. The letters sent out point to this. The amount to be raised by the bond issue is not to exceed $10,000. The operating fund is on a five per cent. basis. Thus, if one had $1,000 cash invested in the old company, he or she subscribes $50 now to bonds and gets common stock to the value of $1,000. The hope of the new concern is that success will crown the venture, and out of the earnings of the house the payments to Sparrow interests will be made. The point to weigh now, is whether or not you desire to put more money into this venture, which is still a speculation. Your old stock is of no value. The investment in the new concern is not for the present a heavy one. If the operation of the theatre is a success, no more funds may be required. However, it must be remembered that the mortgage payments equal to the purchase price must be paid out of earnings and stand before any disbursement to shareholders. The theatrical business is very speculative and is always subject to the ups and downs of general conditions.

NIPISSING-HOLLINGER

Banker, Perth.—What is your opinion of Nipissing Mines as an investment at the present market prices. Do you consider the dividend safe and in the same class say, as Hollinger?

The best opinion seems to be that the Nipissing's dividend is safe for a considerable time, even though, in the meantime, it should not enlarge its holdings or reach out and secure some new holdings that will add materially to its life. Just lately it took over some properties in Rouyn, Que., that are considered favorable. Of course it hardly, under present conditions, has the promise of as long a life as Hollinger, but it has many years ahead of it. On the present investment Hollinger yields 5.90 and Nipissing over 15%. Nipissing has a cash treasury of four and three quarter millions.

STEEL OF CANADA

Reader, Lardner, B.C.—Kindly let me have your opinion as to the Steel Co. of Canada, Hamilton, and as to whether you would consider their shares a safe investment.

Steel of Canada should turn out more iron and steel this year than any other in its history, according to Pres. Hobson. Trade is good. This means excellent earnings. Steel production and pig iron both show a dropping off, while the trend of the steel shares in the U.S. market seems favorable.

What is Wrong With Carriage Factories?

Subscriber, Buctouche.—What is your opinion of Carriage Factories, and the way it has been run into debt for the last ten years? About what is the preferred stock worth, and do you think the stockholders will ever get anything out of it, or if the present management will continue to draw their salary and run it behind until there is nothing left?

Carriage Factories, Limited, is an industry that has gone through an unique experience in that the public's need for its product has almost disappeared and it has been faced with the necessity of entirely reversing its manufacturing policies to find a new and marketable product. Whether due to the natural difficulties of such a process of change or to lack of aggressive and resourceful handling of the problem by the heads of the company it must be stated that there has not been a great deal of success in working out these new lines to produce and sell.

Before the war Canada absorbed about 130,000 carriages per annum. Now scarcely 10,000 a year are sold in this country. And in the face of competition from the automobile there is little possibility of increasing the sale of carriages. In fact, the sale is likely to decline still further.

The automobile took away the market of Carriage Factories and it has been natural therefore that in the automobile field the company should have endeavored to work out its new lines of production. A certain amount of business has been built up in automobile bodies. This business is divided into two classes, custom-built bodies, for which the market is limited and is governed by the extent of the selling effort the company is able to put into their marketing, and bodies turned out in large quantities under contract for motor car manufacturers. The amount of the body business that has been available to the company has been small. In the first place only the orders for bodies for Canadian cars have gone to Canadian manufacturers. Carriage Factories has had most of the business of one motor manufacturer but the volume has nevertheless been small; so small that expensive labor saving machinery could not be installed and the costs have, therefore, been high. Carriage Factories has not been getting any of the business that has come from Canada's growing exports of automobiles because the Canadian government gives a draw back of 99 per cent. on materials used in Canadian motor cars, and the body business on the export cars has, therefore, gone to the States. And without orders on the export cars the business offering to Carriage Factories has not been large enough to keep its big Orillia plant running anywhere near to capacity. And with the Alexandria factory, which makes the carriages, also running on but a small scale, the overhead has been very large.

Recently there has been a great deal of criticism in the British Isles, and some of the Dominions, on the subject of allowing Canada a preferential tariff on automobiles that, Britishers state, are largely made in the United States, and only assembled in Canada. Without discussing the fairness of this charge, it may be said that it is expected that as a result some of the countries that give Canada a preference on automobiles will raise the percentage of Canadian manufacture that must be in each car shipped in under the preferential tariffs. This development should be watched with interest by Carriage Factories' shareholders, for it would undoubtedly mean a large amount of body business for the company.

It is understood that at the present time the directors of the company have certain contracts for body work in contemplation that, if consummated, will mean much for the company. But these are not sufficiently definite to be discussed yet.

Your reference to the company running into debt is hardly a fair summary of the case. No doubt the profits record has been distinctly disappointing, yet the working capital position of the company is excellent and its holdings of Victory bonds are practically equal to the amount of the outstanding indebtedness.

Even if the favorable contracts now in contemplation are completed it is likely that the stock will fail to reflect much improvement. There are a great many disappointed shareholders and any substantial rise in the stock would probably bring out large blocks for sale that would prevent any rapid or continued rise.

LESS THAN 4,000 CAME TO CANADA UNDER BIG PLAN

(Continued from page 3)

colonies, who at the present time is the Duke of Devonshire, to co-operate with the Dominion Government or public authorities or public and private organizations to carry out schemes for settlement of British people in any of the Dominions. The limit of financial assistance was set at £1,500,000 for the first year, and £3,000,000 for each of the next fourteen years. Under this act assisted passage agreements have been concluded with Australia and New Zealand and the Government of Ontario, and as regards certain classes of immigrants with the Canadian government. Important agreements for land settlement have also been arranged with several Australian states and a number of minor schemes have been initiated in co-operation with the Salvation Army and similar bodies.

Canada Can Help

The failure of the scheme has naturally been a keen disappointment in the British Isles, but it should be more a cause of disappointment in Canada, which stood to benefit greatly. At the present time it appears that no definite improvement can be had unless Canada and the other Dominions are able to offer suggestions to the British Government. It is a wonderful opportunity for the Hon. Mr. Graham and Premier King who are overseas at the Empire Economic Conference. The immigrants are there to be had, it is obvious from the statement made by Col. Buckley, General Booth and others, and the British Government is willing to spend pound for pound with the Canadian Government in getting these immigrants into Canada. Nothing fairer could be asked and it is now up to the Canadian Government to adjust its immigration plans to the necessities of the Empire Settlement Scheme, and in this connection the recent statement of the Hon. Mr. Robb, the newly appointed minister of immigration, that he intended to make full use of the plan gives promise of considerable betterment of the present conditions.

Public Utilities for Secure Investment

Bonds

Quebec Power 1st 6's, Oct. 1, 1953, at 95 to yield approx. 6⅜%.

Montreal Tram. Perpet. 5's at market to yield approx. 6¼%.

Jamaica Public Service 1st 6½'s, 1943, at 100 to yield approx. 6½%.

Stocks

Ottawa L., H. & P. 6½% Pfd. at 100 to yield approx. 6½%.

Bell Telephone of Canada 8% Common at market to yield approx. 6¼%.

Jamaica Public Service 7% Pfd. at 95 to yield 7⅜%.
Listed Montreal Stock Exchange.

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Events of Today

EVENTS of to-day make the security values of to-morrow. The exhaustion of the United States forest reserves is making the Canadian Pulp and Paper industry stronger than ever.

We foresaw this condition several years ago, and have been associated with the financing of successful Canadian Pulp and Paper Companies, including:

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To keep posted upon current events as they affect the investment market, we suggest that you read Investment Items each month.

Send us your name and address and we will add it to our mailing list.

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Write for our New Bond List

It contains an unusually wide selection of Government, Municipal and Corporation Bonds of the highest character. Prices are more attractive than have been obtainable for some time.

An excellent selection of "Odd Amount" Bonds is included in this offering list.

Let us send you a copy.

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Telephone Main 4280
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November Investment Funds

We would suggest to anyone anticipating funds that the offerings described in our New November Bond List afford splendid investment opportunities which may not be available within the near future.

We would be pleased to forward a copy upon request.

Gairdner, Clarke & Co.

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Telephone Elgin 2301

Dominion Express Bldg.
Montreal
Telephone Main 8323

For November Funds

The tremendous sum of $150,000,000 is available for reinvestment on Nov. 1st. Our November list makes a thorough analysis of the Bond Market outlook. The immediate prospect will be governed largely by technical market factors, while the more remote prospect will be governed by basic economic factors. The entire situation is analyzed in our analysis entitled "What Are Bond Prices Going to Do?" In addition to this analysis, our November list describes scores of investment offerings, such as the following:

Government and Municipal Bonds

Security	%	Due	Yield
DOMINION OF CANADA	5	1943	Market
PROV. OF PRINCE EDWARD ISLAND	5	1943	5.10%
PROV. OF ONTARIO	5	1948	5.14%
PROV. OF ONTARIO (Guar. TOWN OF FORD CITY)	5½	1927–43	5.25%
PROV. OF SASKATCHEWAN	5	1949	5.35%
PROV. OF NEW BRUNSWICK	5	1930	5.30%
CITY OF HAMILTON	5	1932–4	5.25%
CITY OF TORONTO	6	1929	5.30%
CITY OF TORONTO	5	1935–7	5.25%
CITY OF TORONTO	5	1950–2	5.20%
CITY OF GALT	5½	1924–33	5.35%
CITY OF GALT	5½	1934–43	5.30%
TOWN OF RENFREW	5½	1936–43	5.40%
TOWN OF RENFREW	5½	1944–9	5.35%
TOWN OF NEW TORONTO	6	1925–31	5.75%
SASKATOON SCHOOLS	5	1953	5.75%

Corporation Bonds

Security	%	Due	Yield
CHARLES WALMSLEY CO., LTD. (Guaranteed by Sir W. G. Armstrong Whitworth & Co.)	6	1943	6.27%
P. BURNS & CO., LIMITED	6½	1943	6.50%
JAMAICA PUBLIC SERVICE CO.	6½	1943	6.50%
DRUMMOND INVESTMENT CO., LTD.	6½	1938	6.60%
GREAT LAKES TRANSPORTATION CO., LTD.	6½	1933	6.65%

Maturing Victory Bonds and Victory Bond coupons taken at par in exchange for any bonds on our list.

Write today for your copy of our November List

McLEOD, YOUNG, WEIR & Co.
Limited

TORONTO
23 JORDAN ST.

MONTREAL
40 HOSPITAL ST.

Odd Lots:

We have published a special circular describing 70 securities in odd amounts, which are offered at specially attractive prices.

They comprise government, municipal and corporation bonds and stocks, which carry our recommendation.

A copy will be mailed on request.

Æmilius Jarvis & Co.
Established 1891
LIMITED

293 Bay Street
Toronto

Transportation Bldg.
Montreal

Royal Bank Chambers
London

48 Sparks Street
Ottawa

Asbestos Manufacturing Co. Sells $250,000 Bonds

The Asbestos Manufacturing Company of Canada, with head office in Montreal and mills in Lachine, Que., is issuing $250,000 of bonds. They bear interest at the rate of 7 per cent. and will be redeemable serially in ten years, starting 1925.

The bonds are issued to allow extension of business of the company outside of Canada.

Asks for New Financial Plan for Toronto Harbor

That a change in the financial arrangements of the Toronto Harbor Commission is contemplated, was announced this week by R. Home Smith, the chairman.

The scheme of financing the harbor development was originally arranged to provide for a construction plan which has since been enlarged. In 1912 the commissioners determined to issue bonds bearing interest at a rate of four and a half per cent., on a closed mortgage for $25,000,000. On account of the war, interest rates have been raised, so that 4½ per cent. bonds must be sold at a heavy discount and the proceeds fall below the capital required. The assistance of Geo. H. Ross, finance commissioner, will be asked to provide a more elastic scheme of finance to overcome the difficulty.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	94½	96
Algoma Steel 5's, 1962	..	38
Amer. Sales Book 6's 1927	98	..
Ashdown Hard. 5%, 1928 c.	94	..
Brompton P. & P. 8% 1941	108	..
Can. Machinery 6's, 1940	72	80
Canada Salt 7's, 1941	99	101
Davies, Wm. 6's, 1942	86	89
Dom. Iron Steel 5's, 1939	73	75½
Dunlop Tire 6's 1927	98.50	..
Dom. Sewer Pipe 6's, 1927	94½	..
Dominion Mfg. 6's, 1933	82	87
Eastern Car 6's, 1952	90	93
Harris Abattoir 6's, 1928	99	..
K. & S. Tire 7's, 1925	75	83
Lake Superior Pap. 6's 1941	103	..
Marcus Loew's 8% Notes	90	94
Mattagami Pulp 6's, 1937	64	..
Mattagami Pulp 7% deb.	33	35
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% deb.	79	81
Simpson Robt. 6's 1952	85	..
Spanish River 8's, 1941	104	106
Whalen Pulp 7% deb. 1932	..	47
Western Power 5's, 1949	86	88
Burns, P., 6½, 1943	97	98½
H. Smith Paper, 7%, 1941	99	101
Manitoba Power, 7%, 1941	100	101
Massey Harris, 8% 1930	100	102

NEWS AND VIEWS ABOUT BONDS

DEMAND FOR BONDS SLOWING UP; OFFER MUNICIPAL ISSUES

Private Investors Still Have Much Money for Bonds

The bond market has shown signs of slowing up this week, following the heavy selling of the Dominion and Ontario campaigns. Salesmen are meeting more resistance from investors, both large and small. Institutions and large investors have formed a practice of buying ahead to keep their money invested all the time. Consequently most of the funds from their maturing investments have been provided for. However, a large amount of money is still in the hands of private investors and a good part of it will be seeking investment in November. To meet the demand there are still balances of issues offered during the past three months and numerous municipal issues which are being offered for tender.

The heavy financing has left its effect on the market and the general level of prices is now well below that of the early fall months. The Victory loan issues indicate this clearly, but there is some evidence of strength in these of late. Offerings of the new Ontario issue are being made freely among dealers.

For some months the investing public and banks have not been a market factor in the United States. Consequently the market has been dead and prices have sagged to the lowest point since August, 1922, along with the rise in short time interest rates. The latter now appear to be starting a downward course, which should benefit bond prices.

The further drop in sterling exchange puts dealing with London out of the question under present circumstances.

P.E.I. Awards Issue

Prince Edward Island awarded its issue of $150,000 5 per cent., 20-year bonds to McLeod, Young, Weir and Company. At the price of 97.67, the province is borrowing at a cost of 5.19 per cent. The bids were:

McLeod, Young, Weir & Co.	97.67
Zimmerman & Malloch	97.587
Wood, Gundy & Co.	97.58
Harris, Forbes & Co.	97.29
Murray & Co.	97.14
A. E. Ames & Co.	96.79
Nova Scotia Trust Co.	96.70
A. Jarvis & Co.	96.60
National City Co.	96.50
R. A. Daly & Co.	96.07
MacNeill, Graham & Co.	96.03
Johnston & Ward	96.03
J. M. Robinson & Sons	95.63
C. H. Robinson & Co.	95.16
Bell, Gouinlock & Co.	95.07

Buy Lincoln Bonds

Two blocks of Lincoln county bonds, one amounting to $193,000 5 per cent. 20-year, the other $70,000 5 per cent. 10 instalments, were purchased by Bell, Gouinlock & Co. at a price of 96.88, an equivalent cost basis of 5.27 per cent. The tenders submitted were:

Bell, Guoinlock & Co.	96.83
McLeod, Young, Weir & Co.	96.45
Wood, Gundy & Co.	95.69
A. E. Ames & Co.	95.49
Gairdner, Clarke & Co.	95.202
Matthews & Co.	94.92
W. A. Mackenzie & Co.	94.879

Tisdale Issue Sold

Township of Tisdale bonds amounting to $25,000, bearing interest at 6 per cent. and repayable in twenty years, were awarded to C. H. Burgess and Company at 103.28. The bids were:

C. H. Burgess & Co.	103.28
Macneill, Graham & Co.	103.14
Matthews & Co.	103.11
McLeod, Young, Weir & Co.	103.19
Nesbitt, Thomson & Co.	103.07
Bird, Harris & Co.	102.60
Mackay & Mackay	102.50
W. C. Brent & Co.	101.20

SUTTON WEST ISSUE

MacKay-MacKay have been awarded $21,000 5½ per cent. 20-year bonds of the village of Sutton West at 98.60. The bids were:

Mackay & Mackay	98.60
Municipal Bankers Corp.	97.75
W. O. Brent & Co.	97.08
C. H. Burgess & Co.	96.74

Offer C.P.R. Issue

An offering of $5,000,000 Canadian Pacific Railway Company 4 per cent. coupon consolidated debenture stock is being made in New York at 79½ to yield approximately 5.05 per cent. by the National City Company and the Guaranty Company of New York.

Wallbridge Bldg. Bonds

S. W. Straus & Co. are offering an issue of $1,250,000 first mortgage 6½ per cent. serial coupon three to fifteen year gold bonds of the Wallbridge Building Corporation.

Cornwall Sells Issue

An issue of $14,000, 20-year, equal annual instalment bonds, of the town of Cornwall, bearing interest at 5½ per cent. has been awarded to Bain Snowball & Co., at 100.31.

Bay Sulphite Control Here

Interest close to Bay Sulphite Company hastened to issue a reassuring statement that the control of their company is now held in Canada and not by Sir Frederick Becker or his company. Many orders for the Bay Sulphite products were placed through the Becker Company and were guaranteed by the latter. The guarantee will likely disappear, but there is no reason why the orders should not hold good, as they are with reliable firms. Those placed directly with the Becker Company and replaced by them, will, however, be subject to negotiations.

This company has $3,000,000 20-year first mortgage bonds outstanding. These were issued last April and sold to Canadian investors by a syndicate of well known financial houses. The issue will not be affected by the Becker receivership.

Clyde & Sissiboo

The Clyde & Sissiboo Pulp Co. has an issue of $500,000 first mortgage 6½% 20-year sinking fund bonds outstanding. These were issued in February of this year and are held largely by Canadian investors.

BONDHOLDERS ACCEPT OFFER FOR PROPERTY

Will Foreclose Clarke Bros. Bond Mortgage; New Company to be Formed

That the offer made by a group of Chicago business men last week to purchase the properties of Clarke Brothers, Ltd., is regarded favorably, is indicated by the approval of bondholders. The noteholders approved of the scheme some time ago. The first mortgage bondholders did likewise last week, and the holders of refunding bonds signified their approval this week.

Now the courts of Nova Scotia will be asked for an order of foreclosure. This will probably take about two months, and in the meantime the new interests will have everything in readiness to go ahead with their plans.

Clarke Brothers hold valuable timber limits in the province of Nova Scotia, and have mills located at Bear River and Glen Falls. Before meeting with difficulties the company did a large export business in fibre board, corrugated paper, cartons, etc.

The American interests will proceed at once with the organization of a new company, which shall have a Dominion charter. On its board will be three representatives of the buyers, three representatives of the bondholders of Clarke Brothers and a seventh director who shall be independent of either of the parties. The new company will take over the holdings of Clarke Brothers, finish the construction of the mill, provide working capital, and put the entire plant in first-class operating condition. To provide working capital a first mortgage bond issue amounting to $740,000 is being floated, and its purchase by a Chicago trust company has been arranged.

The arrangement provides that present first mortgage refunding bonds of the new company, equivalent to their holdings in Clarke Brothers, Limited, now in liquidation, and in addition for each bond held a $50 share of 7 per cent. cumulative preferred stock of the new company. The bonds are to bear interest at 7 per cent., and mature in 20 years.

C.P.R. BORROWER OF $5,000,000 IN N. Y.

Yield to Buyer Only Slightly Over Five Per Cent. On Issue

From Our Own Correspondent.

MONTREAL.—Offering of the C. P.R. perpetual debenture stock in New York at 5.05% indicated the high regard that is felt for this sound Canadian enterprise. Nevertheless the yield was not as low as yields offered on comparable securities of other railroads. Atchison general 4's are on a 4.55% basis; Central Pacific 4's on a basis of 4.90%; Union Pacific first 4's on a 4.45% basis; Southern Pacific refunding 4's on a 4.80% basis while New York Central general 3½% bonds sell to yield 4.80%.

The C.P.R. offering totalled $5,000,000, and was only the second block of this stock ever offered in the States. About two years ago, $27,000,000 was sold in New York, to yield about 5.13%, but previous sales had been made in Great Britain. There is now a total of $258,229,805 of the debenture stock outstanding. This represents the only bonded indebtedness of C.P.R. outside of mortgages on constituent lines. Junior to the issue is $80,681,921 of preferred stock and $260,000,000 of common.

The offering was made by the National City Company associated with the Guaranty Company of New York.

C.P.R. gross and net were both lower in September and the railroad is now behind 1922 in net earnings for the first nine months of the year.

BUY MEDICINE HAT BONDS

Miller & Co. and Brandon, Gordon & Waddell, bond dealers, New York, have purchased an issue of $233,000 of city of Medicine Hat, Alberta, 5 and 5½ per cent. bonds, to yield 6 per cent. The former mature 1945 to 1955, and the latter are due in 1938 principal and interest payable in New York.

BECKER FAILURE DOES NOT AFFECT CANADIAN FIRMS

According to Statements From Heads of Companies Here

From Our Own Correspondent.

MONTREAL.—Confusion and some consternation was caused in pulp and paper investment circles by the announcement of the receivership of Becker and Company, the large firm of British paper manufacturers and merchants. This firm owned a substantial stock interest in the Saguenay Pulp and Power Company, and the Clyde and Sissiboo Pulp Company, in Nova Scotia, and also marketed a large proportion of the products of these companies, as well as of the Bay Sulphite Company.

But the danger of loss or inconvenience to the Canadian companies is not as real as it might have appeared at first. In fact Senator F. L. Beique, president of the Saguenay Pulp and Power Company, seems to think that the position of his company has been improved.

Position of Saguenay

The position of the company is, that through Becker and Company it arranged contracts with leading pulp manufacturers in Great Britain to supply them with groundwood pulp from its Chicoutimi Pulp Company subsidiary at cost price, plus $10 a ton profit. The cost price included bond interest. These contracts were arranged with the paper manufacturers themselves, and not with Becker and Company, who merely acted as agents and drew a commission of 3 per cent. on the selling price. The contracts were for a total of 36,000 tons of pulp per annum, although as much as 50,000 tons has been sent over in one year on the contracts. They have about nine years yet to run. Despite the failure of Becker and Company these contracts remain in force, and the pulp will continue to be shipped. But Saguenay expects now to save the $160,000 a year that it has been paying to Becker and Company as commissions on the sale of the pulp.

Was Contract of Value?

During 1922 the average price received by Saguenay Pulp and Power Company for its Chicoutimi groundwood pulp was in the neighborhood of $37.50 a ton, which was better than could have been had in the open market. In that year the contract was a good thing for the company. But this year, as THE FINANCIAL POST has pointed out before, the contract did not prove as profitable, for in the open market groundwood pulp has sold as high as $55 a ton with the average lately above $45. Yet a price that will likely finally be determined by audit at about $36 to $38 a ton has been received from the English paper manufacturers on the 36,000 tons or more going there. Chicoutimi has been selling its excess in the States at much better prices than that.

It happens that Saguenay has claims unofficially estimated at $1,000,000 against the English interests. These claims came about in two ways. In the first place the pulp shipped abroad has been sent against sight drafts on Becker and Company. Naturally it has not been possible to accurately fix the cost of the pulp produced without a good deal of auditing, and so a nominal price of around $36 has been charged. But the cost, plus $10 figure, is likely to exceed that, and the Saguenay Company will eventually have a claim against Becker and Company for the excess amount. This claim should be regarded as well secured, despite what may happen to Becker and Company, for it is ultimately against the paper firms that used the pulp. Another claim is on account of shipments said to have been released by British shipping firms against the guarantee of Becker and Company but without actual payment. Should this claim not be paid by Becker and Company the claim will be made against the British shipping firms.

The company has outstanding $5,183,500 6½ per cent. serial bonds, dated June, 1919, and maturing July 1924, to 1934. These are secured by first mortgage, on properties of the company and its subsidiaries, and were sold in Canada in 1919.

Great Britain's Loans On War Account Heavy

The total amount owing to Great Britain as a result of the war is £2,092,000,000. The loans made to the allies during the war, including accrued interest, total £1,912,000,000. They are as follows: to France, £601,000,000; to Russia, £688,000,000; to Italy, £527,000,000; to Serbia-Croatia, £26,000,000; to other allies, £70,000,000.

BOND MOVEMENTS OF THE WEEK

Week Ending Oct. 30

BONDS—	Rate	Year	Yield	High	1922	Range 1923			Latest Price		
	Int.	Due		Range	Low	High	Low	Ask	Bid	High	Low
Bell Telephone	5	1925	5.40	98	94	101.90	97	—	98	98¾	—
Can. Cement	6	1929	5.43	100¼	9	103	100	—	101½	103	102⅝
Dom. Textile (D)	6	1925	5.75	100	98	100½	99¾	—	100½	100½	—
Ced. Rapids	5	1953	5.26	97½	93	98¼	93	97	96	96	95¾
Nat. Breweries	6	1939	5.62	101½	97	104	101	—	99½	103⅞	—
Quebec Rly.	5	1939	6.76	87¼	65½	83¼	68	—	80	82½	81½
Sao Paulo	5	1929	7.66	91½	80	90¼	86½	—	87	86½	—
Wayagamack	6	1951	8.02	88¾	71¾	86¾	76¾	76⅜	—	77	76¾
War Loan	5	1925	4.89	96.30	96.10	100.95	99.10	100.70	100.25	100.40	100.25
Do.	5	1931	4.89	99.60	96.25	101.80	99.80	101.05	100.75	101.00	100.60
Do.	5	1937	4.75	101.50	99.50	103.30	102.00	102.60	102.50	102.50	102.10
Victory Loan	5½	1923	5.70	100.70	97.75	100.95	99.75	100.00	99.90	99.75	——
Do.	5½	1924	5.29	100.75	98.00	101.60	100.15	100.40	100.20	100.40	100.20
Do.	5½	1927	4.91	102.70	99.75	103.50	101.75	102.45	——	102.30	102.10
Do.	5½	1933	4.90	104.35	101.25	106.70	104.40	105.05	104.85	105.20	105.00
Do.	5½	1934	5.31	101.35	98.30	103.90	101.30	101.60	101.40	101.90	101.50
Do.	5½	1937	4.82	106.35	103.00	108.45	106.50	107.20	107.00	107.30	107.10
Do., ref.	5	1928	5.23	——	——	99.30	98.10	99.00	98.90	99.30	99.00
Do.	5	1943	5.17	——	——	98.25	97.90	98.00	97.85	97.20	97.90
Do., ren.	5½	1927	5.30	101.10	99.40	102.80	100.00	101.10	100.00	100.00	——
Do.	5½	1932	5.33	101.00	99.70	103.15	101.00	101.55	101.25	101.75	101.00

NEW ISSUE

Province of Ontario 5% Bonds

Due 15th October, 1948
price 98 and accrued interest
yielding 5.14%

Matthews & Company
Limited
Toronto General Trusts Building,
255 Bay St., Toronto

Government
Municipal Bonds
Unlisted Stocks
Bonds
Bought—Sold—Quoted
Our Mining Department has a complete Statistical Bureau.
Write us for information.

BALFOUR, WHITE & CO.
LIMITED
Investment Bankers,
136 St. James Street, MONTREAL.

McDonagh Somers & Co.

Government and Municipal Bonds

Dominion Bank Bldg.
TORONTO
Canada

FOUNDED HB 1883

The B. Greening Wire Co., Limited
FIRST MORTGAGE
6½% 20 YEAR BONDS
Due July 1, 1943.

Established over 64 years ago this Company is today one of the largest manufacturers in Canada of Commercial Wire Cables and Special wire goods.

The security behind the bonds is ample; the earning power to pay the interest many times requirements.

The yield is the full 6½%.

We have no hesitation in recommending them as a thoroughly secure and remunerative investment.

100 and Interest
Yielding 6.50%.

HANSON BROS.
Investment Securities
160 St. James St. Montreal
63 Sparks St. Ottawa

We own and offer

Belgo Canadian Paper Company, Limited

7%
Preferred

Price $96.50 and Accrued Dividend
Yield 7¼%

Geo. Beausoleil & Co.
Investment Bankers
112 St. James St., Montreal

Special

WE OFFER	Price to Yield
EAST KOOTENAY POWER 7% 1942 (with bonus 25% Common Stock)	7.10%
NOVA SCOTIA TRAMWAYS & POWER 7% 1952	7.15%
CANADA STEAMSHIPS 7% 1942	7.20%
HOWARD SMITH PAPER 7% 1941	6.80%
BROMPTON PULP & PAPER 8% 1941	6.90%

These attractive offerings merit your consideration and the high yield rates may not be obtainable later on.

Full Particulars Upon Request

C.C. SMITH & COMPANY
LIMITED
Investment Bankers
17 St. John St. Montreal
PHONE MAIN 412

J. Ross Mitchell, formerly manager of the bond department of the Canada Trust Company, has become associated with the investment banking house of Doherty, Easson & Co., Ltd.

Our November Recommendations

On page 4 of this issue you will find a list of seven of our November investment recommendations.

Our current offering list giving full particulars of these and many other attractive issues will be mailed upon request.

Write for a copy.

The National City Company
Limited
112 St. James Street MONTREAL
10 King St. E. TORONTO
14 Central Chambers OTTAWA
111 Mountain Hill QUEBEC
New York Chicago San Francisco London Geneva Tokio

We execute orders in
Dominion of Canada 5% Refunding Bonds
Due 15th October 1928
15th October 1943
at current market prices.
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Government, Municipal and Corporation Bonds
Enquiries Solicited.
STEWART, SCULLY COMPANY, LIMITED
McKINNON BUILDING, TORONTO

1923 Victory Bonds
Exchanged for
Dominion, Provincial or Municipal Bonds
G. A. STIMSON & CO.
LIMITED ESTAB. 1888
36-38 KING ST. EAST TORONTO
(Opposite King Edward Hotel)
The Oldest Bond House in Canada

CIVIC AND PROVINCIAL FINANCE

ALBERTA TREASURY EXPECTING SMALLER DEFICIT THIS YEAR

Revenue from Motor Vehicle Licenses Highest in History

EDMONTON.—There will be another deficit in the Alberta government treasury accounts this year, but it will be considerably smaller than last year's and will only slightly, if at all, exceed the estimated deficit as given in the 1923 budget. The estimate was $1,016,239, and with two months' business still to come in, it looks as though the year's totals will come pretty close to that figure. In 1922 the deficit was nearly two millions, and the policy of economy and retrenchment inaugurated by the government has, therefore, had results.

Some of the new taxes imposed by the legislature at its last session have been admittedly disappointing and will not yield anything like the revenue expected. Both the mineral lands and soft drink taxes, for instance, have been protested, and are now held up by test cases that have not yet been tried, the former tax having been objected to mainly by the Canadian Pacific Railway Company, and the latter by the soft drink manufacturers.

On the other hand, there are increases in some of the other taxing accounts. The amusement tax is well ahead of last year, and the revenue under the Motor Vehicles Act, representing collections for automobile and tractor licenses, is the highest in the history of the province, reaching nearly three-quarters of a million.

The necessity of still further money-raising schemes will be obvious, however, and it is practically certain that something in the way of additional taxation will be introduced at the next session of the legislature. No indication of the government's policy in this regard has been given out, but there is a feeling that a provincial income tax may be imposed, along with possible slight increases in the supplementary revenue tax.

INDUSTRIES SHY AT TORONTO ASSESSMENT

Factory Building Permits Were $289,000 in 1922; Single Tax Would Have Adverse Effect

According to the statements of Home Smith, chairman of the Toronto Harbor Board, in the whole city of Toronto, the factory building permits for the year 1921 were $311,000, and for the year 1922, the smaller total of $289,900.

This situation is disquieting, especially since the shortage of houses has been overtaken by the building activity of the past two years. The need for new industries on this account alone is urgent.

In pointing out the failure to secure more manufacturing plants for Toronto, Mr. Smith states:

"In the first place a manufacturer wishing to locate in Ontario has a choice of many cities and of alternative sites. Within this city's limits his real estate will cost him at least the sum of $20,000 per acre, and he will pay as high as $40,000 per acre for choice locations. Compared with this, he will be offered properties close to the Toronto market, but in outlying and suburban municipalities at from $4,000 to $7,000 per acre, and if he cares to go further afield he may be fortunate enough to arrange terms which amount to a free site.

"In my belief, the real stumbling block is this city's high rate of taxation on high assessment of new buildings, plant and equipment.

"Some of the smaller towns offer free sites, and in some cases a municipal guarantee of industrial bonds, and either a fixed assessment with the assistance of the Ontario legislature, or in spite of all protestations to the contrary, the same result accomplished by a ridiculously low assessment."

In contrast to the high assessment levied immediately on new plants is the extremely low assessment on some classes of residential property. A house purchased by the Harbor Commission for $39,500, a valuation set by an arbitrator, was assessed at $11,250. From this it would appear that assessments are not as equitable as they might be, resulting in a prejudice against the manufacturer. As Mr. Smith points out, the adoption of a single tax measure would make it practically impossible to secure industries, which would bear the brunt of taxation on the land necessary to their operation.

Taxpayers of Canada in Need of Compassion

That the taxpayers of the Dominion were the ones entitled to a compassionate allowance, was the reply of Premier King and ministerial colleagues when approached in London this week by Lord Askwith on behalf of the Junior G.T.R. shareholders. He made no legal claim, just asked for a compassionate allowance. The road was taken over to prevent it going into bankruptcy, he was told, and it has proven a burden and liability.

The Canadian premier and ministers took advantage of the opportunity to set out in seriatim the answers to the charges that have been broadcasted in London in the hope of forcing the Dominion's hand in the matter. The British shareholders were advised, however, to hold their stock, for in the event of the road ever being in a position to pay dividends the matter could come up again.

Taxing Industry to Death

That Toronto had failed to expand industrially in the past three years because of the burdens of taxation and that a still more serious condition would arise if the experiment of the single-taxers is favored at the polls in a few weeks, was the grave situation outlined before the city council and civic officials by R. Home Smith, chairman of the Board of Harbor Commissioners, in announcing his resignation. Mr. Smith after twelve years is dropping out of the immense harbor development because he has found since the commission refused to hand over its property for Hydro radials that it is impossible to get the co-operation of the city council and the local newspapers.

"You can relieve a man of his taxes, but if you do you will relieve him of his job at the same time," declared Mr. Smith. His point was that the city must have revenue; that if the people did not pay their share then business and industry must pay more than their share; that the result would be that factories would go where conditions were more conducive to prosperity. He suggested that the whole policy of city assessment be reviewed with a view to equalization. He made no specific reference to tax-free public ownership projects, but the loss of taxes on the street railway company and the private power companies and losses on the municipal abattoir cannot be disassociated from this situation.

The fact that industrial building permits in the whole of Toronto in 1921 and 1922 had amounted to only the pitiful total of $500,000 was mentioned as indicating that the Harbor Commission was not to blame for a general situation. The Harbor Commission was handicapped, too, by the fact that it could only lease and not sell its property. In the opinion of Mr. Smith this would have to be changed so that a practical proposition could be laid before industrial corporations which would not consider a leasehold site. In other respects, too, the harbor development, in which millions have been sunk, would have to be handled in a strictly sound business manner. He was quitting because he was not being given the necessary co-operation and he hoped that it might be given to someone else.

Without business-like co-operation in the handling of the harbor development and without a taxation policy which would give business a chance, Mr. Smith painted a sombre outlook for the city's development.

CALGARY REFUNDING PLANS ARE APPROVED

Annual Sinking Fund Levy $132,172 Lower; 1922 Deficit Must be Overcome

The Alberta Public Utility Board has given its consent to the proposed refunding scheme for the city of Calgary. The basis of the plan is outlined as follows:

Debentures covered by rebounding plan	$15,267,364.07
Accumulation of sinking fund under plan at maturity of these debent's	11,601,528.93
Sum to be rebonded at maturity of said debentures	$ 3,674,835.14

Lower Annual Levy

As the direct result of this plan, there will be a decrease of $132,172.04 in the annual sinking fund levy as compared to the sinking fund levy made in the year 1921.

Owing to the fact that the sinking fund was short-levied in 1922, however, the amount of this shortage for 1922 must be spread over a period of subsequent years so that the sinking fund levy for 1924 will be considerably greater than the levy which was short in 1922. It will probably mean the addition of two mills to the total levy in 1924.

In regard to an alleged saving to the waterworks' consumers of $16,895, the board's letter says:

"In the opinion of the board there should be no saving of any kind to the waterworks consumers, but the reduction in the levy for waterworks debentures authorized by the board should be available to the city by way of an increased tax upon the waterworks department, if necessary," and should, therefore, find its way into the general revenues of the city. At the present time at least, there should be no effort towards reduction of the water charges in the city of Calgary."

Tenders and By-Laws

TENDERS WANTED

Nov. 5, Belle Plage, Que.—$12,000, 5½%, 20-ins. school debentures. J. N. Legault, Sec.-Treas., Vaudreueil.

Nov. 5, St. Laurent, Que.—$8,500,6% 40-yr. bonds. F. W. Ownsworth, Sec.-Treas.

Nov. 5, Three Rivers.—$115,000, 5½%, 20-yr. bonds. Arthur Nobert, Treasurer. (See announcement on page 16.)

Nov. 13, Saskatoon School District.— $30,000, 6%, 30-years. Wm. P. Bate, Secretary, Saskatoon.

Nov. 19, Fort Erie.—$7,000, 5½%, 20-ins. debentures. A. E. Seaton, Clerk.

Nov. 5, Riviere Des Prairies.—$6,000, 6%, bonds.

Nov. 5, St. Joachim De Chateauguay. —$12,500, 5, 10, 15 or 20-yr. 6% debentures.

Nov. — Nepean Twp.—$18,900, 30-yr. bonds.

Nov. St. Catharines.—$413,216, 5 and 5½% bonds.

Nov. — Port Colborne.—$78,000, 20-yr., 5½% bonds.

How well the stock market will hold in

BRITISH COLUMBIA

The following certificat have been issued by the Municipal Department of the Province of British Columbia upon the following dates: Sept. 10, Kamloops, $3,691, 10-years, 6%; Oct. 5, Delta, $9,053, 5-year, 5½%; Oct. 11, North Vancouver, $8,629, 10-year, 6%; Oct. 19, Duncan, $50,000, 30-year, 6%.

BIG SURPLUS OF MONEY IN HANDS OF THE PEOPLE

(Continued from Page 1)

alone. Five per cent. of the increase came from the flour mills. These three classes of industry contributed no less than $85,000,000 of the total increase.

Coal Biggest Import

In the same period our imports increased by $170,000,000. Of this amount, one-third, or $57,000,000, was due to our increased importations of coal, reflecting not only the advance in industrial consumption of bituminous, but also indicating result of the freer supplies of coal with the ending of labor troubles in the mining areas of the United States. Another important increase was that of $13,000,000 in our imports of raw sugar and there was an increase of over 20,000,000 in our importations of cotton and woollen textiles.

It is little realized that a few items dominate our export trade just as our trade with the United States and United Kingdom so dominates the figures that other individual nations in no case figure as much as 2 per cent. in either our total imports or total exports.

Farm and Forests

In our export trade the farm and the forest provide the truly important portion of our export trade. Grain is the biggest item, representing $355,000,000 of the total for the twelve- month period by about 30 cent. Of this figure, $61,000,000 was for flour, and $259,000,000 for wheat.

The forests come next in importance. Lumber, paper, pulpwood, pulp, etc., represented $261,000,000, or between 25 and 30 per cent. of the total exports. Meats and animals represented another $133,000,000. Here in the farm and forest alone were more than 80 per cent. of our total exports.

Figures are given here of our balance of trade in each particular class of endeavor for the twelve months ended September 30 last. Round figures only are used.

	Excess of Imp'ts over Exports	Excess of Exp'ts over Imports
Agric. products	$..........	$234,000,000
Animal prod.	....	86,000,000
Total farm	$..........	$320,000,000
Textiles	$169,000,000	$..........
Wood & paper	....	220,500,000
Iron & products	102,500,000	....
Non-ferr. metals	....	16,000,000
Non-met. min'ls	146,000,000	....
Chemicals	11,000,000	....
Miscellaneous	32,500,000	....

Complete figures for 1922 and 1923 follow:

Imports for Consumption

Main Groups	Twelve Months ended Sept. 1922	1923
Agr. products	$159,416,099	$179,049,323
Animal prod.	46,261,034	47,705,207
Fibres, textiles	154,291,907	177,190,135
Wood & paper	34,865,005	39,724,585
Iron & products	119,297,888	168,073,801
Non-ferr. metals	32,928,851	41,660,435
Non-met. min'ls	113,557,029	175,492,614
Chemical prod.	25,807,232	26,243,965
Miscellaneous	46,479,773	47,853,710
Total imports	$732,904,818	$902,993,825
Dutiable goods	490,056,185	596,416,091
Free goods	242,848,633	306,577,734
Duty collected	127,941,689	137,017,943

Exports (Canadian)

Agr. products	$333,821,142	$413,045,792
Animal prod.	135,403,949	133,845,937
Fibres, textiles	6,155,568	8,066,030
Woodo & paper	202,221,473	261,214,852
Iron & prod.	35,647,293	63,406,239
Non-ferr. metals	32,831,376	57,169,208
Non-met. min'ls	22,618,582	29,728,160
Chem. products	11,399,138	15,116,588
Miscellaneous	12,698,324	15,394,781
Total exports (Canadian)	$792,796,845	$996,987,587
Foreign exports	13,693,834	13,879,839
Total exports	$806,490,679	1,010,867,425

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place	Sold To—	Rate	Term	Amount	Price	Basis
Oct. 22.	Tisdale Twp.	C. H. Burgess & Co., Toronto	6%	20-yr.	$ 25,000	108.28	..
Oct.	Lincoln County	Bell, Gouinlock & Co., Toronto	5%	10-ins. & 20-yr.	263,000	96.88	..
Oct.	West Vancouver	Royal Financial Corp.	..	..	11,000	94.00	..
Oct. 31.	Medicine Hat	Miller & Co., Brandon, and Gordon & Waddell, New York	5 and 5½%	....	233,000	..	..
Oct. 27.	Village of Sutton West	Mackay & Mackay	5½%	20-yr.	21,000	98.60	..
		Provincial					
Oct. 25.	Prince Edward Island	McLeod, Young, Weir & Co., Toronto	5%	20-yr.	150,000	97.67	5.19
		Corporation					
Oct. 25.	Quebec Power Co	Aldred & Co., and Syndicate	6%	30-yr.	$3,540,000	..	..
Oct. 25.	Quebec Power Co. (Debs.)	Aldred & Co., and Syndicate	6%	..	£300,000	..	..

Certainties—

¶ Income return of 7¼%.

¶ Ample margin of security, more than $500 assets for each $100 share, and net earnings four times requirements of Preferred Stock Dividends.

¶ Capital that aids in developing our basic industries shares in the wealth they create.

A thorough study of the Preferred Stock of the

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Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
93

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5% BONDS
Due—1948
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To yield—5.14%

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5% BONDS
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Assurances in Force $630,000,000
Assets - - - $170,000,000

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HEAD OFFICE - MONTREAL

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Assets $53,605,630.49. Business in force $250,000,000.
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Organized 1874
TOTAL BENEFITS
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$80,000,000.00
Policies Issued from $500 to $5,000
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Fire - Automobile - Marine Insurance
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Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

THE DISRUPTION OF THE GERMAN REICH

(Continued from page 10)

the Rhineland. Great Britain can, under no circumstances, get any reparations, nor is she likely to obtain from France, no matter how prosperous that country may become, any repayment of the Franco-British war debt.

Thus under Millerand and Poincaré France has become once more the dominant military and political power in Europe. The important questions at the moment are, how long will these politicians remain at the head of affairs in France and when they go, as they must, who will succeed them?

It is a well known characteristic of French political life, that when a French Premier has achieved what is recognized as a pronounced success, when he is at the pinnacle of his career, that is the moment when he incurs the greatest danger of a sharp and decisive fall. This characteristic is due to the fact that the higher a politician rises in France, the more numerous his opponents and the more eager they become to pull him down. Thus the loftier his position, the more he stands in jeopardy. M. Poincaré has been in power not quite two years. Will he continue in power for one month, three months, or six months longer? When he goes, who will follow him, Caillaux or who else? That Caillaux is aiming at the command is well known. His previous career, none too creditable, it must be observed, would seem to suggest that he might adopt a policy of relaxation of pressure upon Germany. This may be already too late. The more obstinate Prussia becomes, the more difficulties lie in the way of relaxation, and the more rapidly Prussia recovers economically, and in a military sense, the more dangerous she becomes. Caillaux's known leanings towards Germany would appear to be likely to prevent him from being called upon to form a ministry. The more probable hypothesis is that some politician of a more colorless type than either Poincaré or Caillaux would succeed the former. In that case the real direction of affairs would fall into the hands of Millerand. How far that astute politician would think it wise to push the Poincaré policy of destruction of Germany, would depend upon the extent to which he thought he would be supported by French public opinion. That opinion seems now to be divided. It is by no means so unanimous as it was. The next month or two, perhaps the next week or two, may bring events which will change the aspect of things.

INSURANCE FOR BUYER AND SELLER

LAPSED AND NOT-TAKEN POLICIES RAISE PREMIUMS

Cause Enormous Waste In Fire and Life Insurance

The losses to both the insured and insuring companies through lapsed and not-taken policies came in for much discussion at the National Convention of Insurance Commissioners at Minneapolis last week. The situation has caused considerable anxiety to far-seeing executives in several branches of insurance. Speaking particularly of not-taken policies, Howard P. Dunham, Insurance Commissioner of Connecticut, said:

"In not-taken insurance the policies are not only put on the company's records but later the process is reversed and they must be removed, thereby practically doubling the cost of issuance. In only one company in this country, for example, and there are many, the work connected with 'not taken' policies costs almost $1,000,000 annually. It is probably close to the truth to say that the cost connected with the issuance and cancellation of 'not taken' policies in stock companies is a very appreciable amount. In mutual companies it is reflected in a decrease in the dividends paid to policyholders. In the ultimate analysis, in all cases it is the honest insurers who foot the bills.

"While I assume the subject under discussion refers primarily to fire insurance, the title is sufficiently broad, however, to include in its scope other lines of insurance underwriting. I understand that the ratios of 'not taken' policies in the liability, accident and life lines exceed 15 per cent., in fact, it has been stated that these ratios in accident and life business reach 18 per cent. and 20 per cent. respectively. It is sufficient to say in this connection that in the insurance companies of Connecticut writing multiple lines the cost of 'not taken' probably exceeds $1,500,000 annually."

There are two ways in which purchasers lose from this evil. In the cases of "not-taken" policies, the applicant does not lose anything at that particular time. However, his action affects a fundamental principle in insurance. Competition forces the rates charged to a point slightly above the actual costs, and underwriters' associations, which make rates for tariff companies, base them on the experiences of the past. Each refusal to accept a policy on delivery raises the cost, which is ultimately reflected in the rates. Its effect is seen more quickly, of course, in mutual companies, and, in the case of life insurance, when participating policies are being sold.

Lapsed policies cause a larger loss to the insured in the case of life insurance. Athough the insured receives a cash surrender value, if the policy has been in force three years or more, these consist of the reserve set aside by the company, less a sum designed as a penalty to pay for the extra cost to the company.

The problem presents an exceptional difficulty, since it is caused by our system of economic organization. That this is true is proven by the heavy lapses during 1921 and 1922. Statistics show that the financial position of a large part of our population varies widely over a period of twenty years. Consequently, when business is good and employment well assured there is a disposition to insure heavily. When less prosperous times come, many find they are unable to continue expenditures at the same rate, and turn to their insurance as an available subject on which to effect a reduction.

Another factor is the selling arrangements. The remuneration of most sales staffs in the insurance business rests on commissions. As most of the commission in life insurance is paid on the first year's premium, the tendency of the salesman is to sell as much as possible, without regard to the possibility of heavy lapses.

In respect of fire insurance, Mr. Dunham suggests three possible remedies. They are:

"1. To have an application signed by an applicant. This would probably not amount to much because a life applicant not only signs an application but takes a physical examination and then fails to take the policy in a large number of cases.

"2. The waiting period might be reduced. At present the insured is given thirty days in the liability lines to pay for his policy. If this were reduced to ten days and the insured were trying to get free insurance during the year he would have to find brokers to place his unpaid insurance thirty-six times. This would be difficult.

"3. No insurance should be in force until the premium has been paid. This would require joint action by all companies and would probably be difficult to obtain."

Few definite suggestions have been made to overcome the difficulty in the case of life insurance. Some officials feel that a reduction of first-year commissions and a compensating increase in renewals would force the agents to exercise more care in placing policies. The chief objection to this is that the agent is forced to wait for some time for what he regards as remuneration for work done in selling the policy, and many contingencies, such as death or his removal to another company, may arise which would cut off this part of his return.

ISSUE $100,000,000 INSURANCE POLICY

Group Plan to Cover 90,000 Employees of Southern Pacific System

One of the largest group insurance policies ever issued has been contracted for in the United States by the Southern Pacific Railroad. The policy is for $100,000,000, and covers the railway's employees, numbering 90,000. Possibly the largest policy previously existing was that of the Union Pacific Railway system for $70,000,000, covering employees of the Union Pacific Railroad Co., the Oregon Short Line, the Oregon-Washington Railway & Navigation Co., and the Los Angeles & Salt Lake Railroad Company.

The group plan was first started by the Equitable Life Assurance Society in 1912. Since its introduction into Canada it has enjoyed a rapid growth. At the close of 1921 there were 398 policies in force for a total of $76,647,519 insurance. Of this $10,402,062 was written during the year, as compared with $66,704,855 in the previous year, the decrease reflecting the adverse conditions in business at the time. In 1922 over $11,000,000 on this plan was written and a gain of $7,575,867 was recorded in the amount in force.

While the field for writing group policies has been widening to many classes of business, such as stock brokers, bond dealers, etc., there is a tendency towards smaller policies, taking in much smaller groups.

ARTHUR DAVY, woollen manufacturer of Wyke, Bradford, England, is in Vancouver investigating with a view to establishing a branch factory there.

Annuity at 65 Takes Dominant Place in Insurance Program

A distinct preference for the payment of insurance claims in instalments rather than a lump sum is displayed in a carefully worked out program actually in use by an officer of a life insurance company doing business in Canada. Because it is the plan of one thoroughly informed on all details of insurance and takes care of phases often overlooked, it assumes special importance. The chief provisions are:

(1) $1,700 Group Insurance, to be used as a contingency fund to cover debts, funeral expenses, unpaid bills, and unfulfilled college pledges.

(2) $1,000 Forty-Year Endowment. This policy was bought upon the completion of his college course for the protection of his mother. He chose the forty-year endowment because he wished to have a life policy that incorporated a certain amount of savings, yet sold for such a reasonable premium that it would not be burdensome to carry during those early years when he was getting experience rather than cash. The beneficial interest on this policy can be changed upon the death of the current beneficiary.

(3) $10,000 Insurance Annuity-65. This policy was added at the time of his marriage, as protection for his family, and for his own old age. At the time this policy was bought, the beneficiary was given an option which she intended to exercise, in case of his death, of taking the monthly income for life. Under this plan, if she happened to be 35 years old when he died, she would receive $42.50 a month for life; if 45, $48.40 a month; if 60, $65.20 a month for life.

(4) $15,000 Insurance Annuity-65, added after birth of second son, for same purpose as (3). On buying this policy, he had a trust agreement attached to (3), providing $500 yearly to each of his two sons commencing when each entered college and continuing for four years, in case his death occurred before his boys completed their educations. The residue of (3), increased by (4), which at the present age of his beneficiary would provide approximately $100 a month for life was arranged on the Monthly Income for Life Plan as outlined in the policy. No. (3) and (4) combined will provide $2,500 a year, commencing at age 65, and continuing as long as he lives, thus assuring him a comfortable income in his old age. Both (3) and (4) have the Continuous Instalment rider perpetuating payments for lifetime of beneficiary, in case of his death after age 65.

(5) $5,000 Renewable Term, to provide an extra income for his widow during the childhood of his children. Thus, if he should die before his children entered college, this policy would provide an income which would help support the children until they became eligible for the $500 a year under the Trust Agreement on (3). The reason why he selected Five-Year Renewable Term was that he considered this a temporary contingency, and he wanted to cover it at the lowest possible cost, and feel free to drop the policy when it was no longer needed.

(6) $2,000 Savings-Insurance Plan. The insurance to supplement (2) for his mother, after her death to be grouped under (1) to cover special contingencies.

(7) Future Program; Term insurance or Ordinary Life to cover a mortgage on home which he thinks of building; Ordinary Life in case it was a first mortgage for a long term; Term, if a second mortgage was necessary or a short term first mortgage was employed.

Additional Insurance, Annuity-65 as increasing standard of living makes it evident that $2,500 a year, plus interest and dividends from other investments, will not be sufficient to keep him from "stepping" down to a lower standard on his retirement.

The predominance of the annuity plan is evident. It does two things—guards the beneficiary against the temptation to invest a large sum of money foolishly when it is received in a lump sum, and provides against adverse circumstances in the insured's old age. There has been a tendency among insurance men to put forward similar plans, because men who believe they are sufficiently insured, realize the inadequacy of their protection only when the income it will yield is placed before them.

FIRE AGENTS CAN HELP IN SOLUTION OF DIFFICULTIES

Speaker at Convention Urges Co-operation to Reduce Losses

With property owners, fire insurance is now regarded as a necessity, but the attention paid to details is small in comparison with the possible amounts involved. The purchaser takes it for granted that his policy protects him, only to find that unexpected conditions exist when a claim occurs. Dissatisfaction follows, resulting in difficulties for all those concerned. The insured may have only part of the claim paid, owing to his failure to comply with the conditions of a co-insurance or other clause. The agent will suffer a loss of confidence on the part of the policyholder and other property owners in the community. The company in turn will experience a loss of business and adverse comment. The solution lies partly in co-operation.

The means of increasing co-operation were outlined by H. Churchill Smith in an address at the annual convention of the Ontario Fire and Casualty Insurance Agents' Association in Toronto recently. He said in part:

I propose to outline now the manner in which co-operation might be used between companies and agents in a few particular directions to the benefit of the business and all concerned.

Acceptances and Moral Hazards

In these times the moral hazard requires more than usual care in the preliminary stages of an acceptance.

If all agents examined the proposal with the utmost care in this respect we should be saved a great many losses, a large amount of correspondence and a general improvement of the business written.

The fire marshal's department would not be overworked and a lot of the investigations now carried out by credit report companies would be obviated.

Accurate Description of Risks

We should be saved an enormous amount of correspondence if a conscientious inspection of all risks were made before filling out applications, and disputes would be avoided when the claims occur, because the adjuster would not be able to point out discrepancies between the policy text and actual conditions.

This is a most important point in our relations with the insuring public. After the claim has occurred is no time for a dispute over an avoidable matter like this.

Collections Slow

Commenting on the difficulty of making collections at present, he continued:

Never were collections more difficult. I am sure this has your sympathetic agreement. I submit that every effort should be put forward to making our business what it is, namely, a cash business. Consideration and leniency are always necessary, but it is suggested that after you have exhausted these, no more should be granted, and moral hazard thereby avoided. Return or cancel the policy. You will save mental worry and trouble and so will the company.

The number of policies returned for flat cancellation is far too large. It could be avoided. It is a dead loss to the companies from every point of view—time on risk without payment—possibility of a claim in such a period—clerical labor and stationery. An equally dead loss to the agent—loss of time canvassing and writing the policy—loss of commission.

The point here is that if the agents do everything possible to keep their clients up to date in payment, then the accounts department as between the companies and the agents, would be released of a great deal of work and harmonious working relations would be improved all round.

Exorbitant Claims

I feel sure that no one will deny that from time to time claims are made for amounts larger than that to which the insured are entitled. We want to give our insured a square deal, and they must be paid neither more, nor less, than that which is due them—100 cents in the dollar, not 99 nor 101. The co-operation of agents in this matter is a very important one, and a little plain speaking by the agents will bring about a gradual and much needed improvement.

The speaker pointed out the duty of agents in aiding fire prevention in these words:—

Last, but not least, in the co-operation agents can render for the general good by taking all steps possible to improve risks and indicate ways in which fires can be avoided. As you know, nearly all fires are due to carelessness, and although perfection cannot be attained in a day, every little bit of work in the direction of prevention and improvement is so much to the good. The fire waste of Canada is appalling, and I honestly believe unnecessarily high. It is our duty as citizens, as well as insurance agents and officials, to do all we can to stop this waste of the country's resources.

The address concluded by showing that all expenses, of any and every kind in the business, such as losses, commissions, inspections, taxes, and the like, are loaded on to the rates and paid by the public. The buyer of insurance can help to cut these down by placing his insurance only through agents who study the business thoroughly, and at the same time benefit himself directly by having the insurance properly placed.

Increased Interest in Government Annuities

OTTAWA.—The Dominion Annuities Branch, Department of Labour, reports a very considerable growth in its business. During the first six months of the present fiscal year, that is, from April 1st to September 30th, $567,000 was received for investment in Annuities. This is over $125,000 in excess of the amount received for the same purpose during the corresponding period last year.

In view of the large number of applications now being received, it seems likely that the amount of business written in 1923 will be well in excess of last year's total, which represented an investment of over a million dollars.

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FRANK SHEPARD, Manager
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THE
CANADA NATIONAL FIRE INSURANCE COMPANY
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TOTAL ASSETS $2,928,337.62
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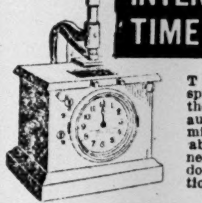
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Paid-up Capital	$2,414,663.00
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Authorized Trustees and Receivers
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MOLSONS BETTERS PUBLIC POSITION; PROFITS REDUCED

Quickly Available Assets Are Increased by $700,000

From Our Own Correspondent.

MONTREAL.—While showing a drop in profits for the year, Molsons Bank improved its position in relation to the public during the past year. Total assets increased by about $70,000; assets, quickly available, increased by nearly $700,000, but liabilities to the public increased by but $200,000.

Savings deposits showed a very substantial increase during the year, rising from $44,618,422 to $45,179,236. On the other hand, contraction in business throughout the country seems to be indicated in the declines in both current deposits and current loans, the former showing a drop from $9,303,610 to $8,801,567, and the latter from $41,267,981 to $39,446,352.

Should Set Rumors at Rest

The annual report of the bank should definitely set at rest any rumors that have been going around concerning the position of the Molsons Bank, and that led to "runs" on some of the Island of Montreal branches of the bank. These rumors gained currency in usually well-informed circles, and caused some uneasiness. They had their basis, it seems, in discussions relating to a certain account where Molsons Bank was known to have suffered a considerable loss. But inquiry, a few weeks ago, brought out the fact that not only was the amount of this loss much smaller than rumor had it, but the loss was not a new and serious development, but had, in fact, been throughly cared for about three years ago and was not now a source of worry to the bank's directors or officials.

The figures given above are the chief ones in the statement, and, accepting them, the position of the bank must be taken not only as having been well maintained in strength but having been improved to some degree during the past year.

Profits are Reduced

The profit and loss statement for the past three years shows the following comparison:

Profit and Loss Account

	1923	1922	1921
Net profits	$614,357	$682,104	$752,389
Dividends	480,000	480,000	480,000
Govt. tax	68,000	75,000	55,000
Pension fund	37,817	38,141	38,126
Subscr.	10,000	10,000	10,000
Bal.	$18,540	$ 78,963	$169,263
Prev. bal.	266,318	187,355	518,092
	$284,858	$266,318	$687,355
To reserve	150,000	......	500,000
Bal. Fwd.	$134,858	$266,318	$187,355

It will be observed that the directors found it advisable to put $150,000 into a reserve for contingencies. This was not added to the bank's reserve fund, which still stands at $5,000,000, or 125 per cent. of the paid up capital.

Gold Reserve Deposit Up

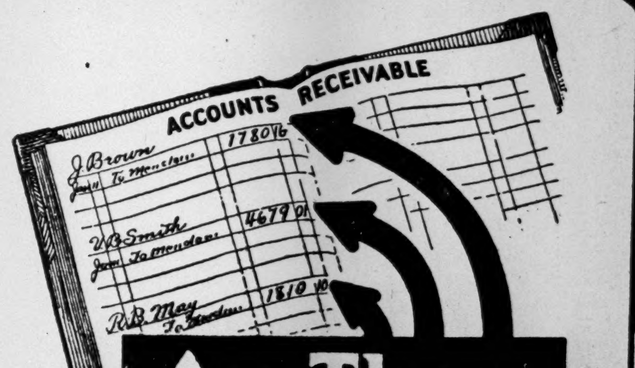
Some changes are indicated in the balance sheet. Deposits in the central gold reserves have been increased from $500,000 to $1,000,000. Balances due from abroad have declined from $3.259,724 to $2,205,634.

In connection with the construction of the Insurance Exchange Building part of which will provide Molsons Bank with a fine new office, a subsidiary company, called the St. James Land Company, has been formed. This subsidiary has conveyed its rights to the site to the Insurance Exchange Building to the amount of $440,000 to secure an equal amount of bonds of that company. But it is pointed out that the St. James Land Company is not personally liable for the bonds.

Bank Statement for Month of September

Immediately Available Liquid Resources

ASSETS	Sept. 1923	Aug. 1923	Change	Sept. 1922	Change
Specie	$ 61,071,539	$ 65,217,219	—$ 4,145,680	$ 73,749,625	—$12,678,086
Dom. notes	161,970,212	155,777,628	+ 6,192,584	169,415,325	— 7,445,113
Gold reserve	61,652,533	61,302,533	+ 350,000	47,702,533	+ 13,950,000
U. K. banks	6,668,407	8,861,720	— 2,193,313	7,710,838	— 1,042,431
For. banks	50,805,324	49,937,058	+ 868,266	107,182,662	— 56,377,338
Gov. secs.	252,998,000	252,889,383	+ 108,617	181,348,191	+ 71,649,809
Call loans ab'd	186,020,209	203,913,891	— 17,893,682	172,037,983	+ 13,982,226
	$ 781,186,224	$ 797,899,432	—$16,713,208	$ 759,147,157	+$22,039,067
Loans and Securities Other Than Those of Canadian Government					
Public sec.	$ 113,030,901	$ 111,778,687	+$ 1,252,214	$ 97,365,983	+$15,664,917
Rly. sec.	50,915,703	47,432,524	+ 3,483,179	43,295,169	+ 7,620,534
Can. call loans	96,919,263	98,123,000	— 1,203,737	106,982,836	— 10,063,573
Current	1,056,230,792	1,046,295,745	+ 9,935,047	1,114,678,735	— 58,447,943
Loans abroad	162,408,428	152,473,660	+ 9,934,768	145,609,779	+ 16,798,649
Prov. loans	15,194,053	8,918,710	+ 6,275,343	12,076,072	+ 3,117,981
Municipal	79,808,570	74,236,601	+ 5,571,969	77,280,415	+ 2,528,155
	$1,574,507,710	$1,539,258,927	+$35,248,783	$1,597,288,989	—$22,781,279
OTHER ASSETS					
Overdue debts	$ 7,887,107	$ 7,350,833	+$ 536,274	$ 7,789,374	+$ 97,733
Real estate	6,409,232	6,274,388	+ 134,844	5,217,493	+ 1,191,739
Mortgages	3,578,647	3,613,289	— 34,642	4,548,730	— 970,083
Premises	69,080,798	69,229,144	— 148,346	71,595,202	— 2,514,404
Lets. of credit	19,741,822	16,788,079	+ 2,953,743	18,852,478	+ 889,344
Other assets	4,670,327	4,487,612	+ 182,715	4,048,587	+ 621,740
	$ 111,367,933	$ 107,743,345	+$ 3,624,588	$ 112,051,864	—$ 683,931
Total	$2,467,061,867	$2,444,901,704	+$22,160,163	$2,468,488,010	—$ 1,426,143
Note cir. dep.	6,130,182	6,124,227	+ 5,955	6,441,430	— 311,248
Int. bank bal.	151,699,195	148,874,738	+ 2,824,457	144,515,254	+ 7,183,941
Gross	$2,624,891,244	$2,599,900,669	+$24,990,575	$2,619,444,694	+$ 5,446,550
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$ 184,117,027	$ 169,980,554	+$14,136,473	$ 176,918,869	+$ 7,198,158
Dom. govt.	67,014,064	45,395,425	+ 21,618,639	84,569,833	— 17,555,769
Prov. govt.	24,507,807	24,396,125	+ 111,682	24,417,791	+ 90,016
Deposits by Public					
Demand dep.	522,050,862	518,489,490	+ 3,561,372	490,185,205	+ 31,865,657
Savings	1,178,703,505	1,189,988,876	— 11,285,371	1,158,462,380	+ 20,241,125
Total	$1,700,754,367	$1,708,478,366	—$ 7,723,999	$1,648,647,585	+$52,106,782
Foreign dep.	296,503,716	304,560,865	— 8,057,149	336,746,970	— 40,243,254
Due to Banks Abroad, Etc.					
U. Kingdom	8,687,235	$ 5,499,385	+$ 3,187,850	$ 9,502,135	—$ 814,900
Foreign	33,651,062	32,937,905	+ 713,157	24,203,987	+ 9,447,075
Bills payable	6,902,729	6,929,426	— 26,697	7,469,015	— 566,286
Acceptances	19,741,822	16,788,079	+ 2,953,743	18,852,478	+ 889,344
Other liabilities	2,797,393	3,919,286	— 1,121,893	2,643,580	+ 153,813
Public liab.	$2,344,677,222	$2,318,885,416	—$25,791,806	$2,333,972,243	+$10,704,979
Due bet. banks	11,114,894	12,004,049	— 889,155	9,008,420	+ 2,106,474
Gross	$2,355,792,116	$2,330,889,465	+$24,902,651	$2,342,980,663	+$12,811,453



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Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

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We offer a form of investment, known as Accumulative Bonds, which prevents wasteful spending, because the interest instead of being payable half-yearly, is allowed to accumulate and is not paid over until the end of the term for which the Bond is issued. In addition to accumulating interest which otherwise would likely be spent, the investor in these Bonds enjoys the further advantage of receiving COMPOUND interest. For example, $381.20 invested in one of our Accumulative Bonds now will amount, at the end of five years, to $500.

Please write for circular giving full information about these Bonds, which we strongly recommend to those not in need of an immediate return on their investment.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto
ESTABLISHED 1855

Return of the Chartered Banks of the Dominion of Canada, Sept. 29, 1923

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK Capital Subscribed	CAPITAL STOCK Capital paid up	Amount of Reserve Fund	Last Dividend declared	Notes in circulation	Due to Dominion Government	Due to Provincial Governments	Demand Deposits in Canada	Notice Deposits in Canada
	$	$	$	$	%	$	$	$	$	$
Montreal*	31,175,000	27,250,000	27,250,000	27,250,000	12	42,233,130	33,732,835	6,637,349	125,253,117	288,971,280
Nova Scotia	15,000,000	10,000,000	10,000,000	19,500,000	16	15,752,879	665,086	1,147,064	31,616,932	106,718,246
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	7,407,998	1,628,215	516,342	26,826,479	46,068,484
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	5,769,446	129,893	620,930	12,736,912	40,189,482
Nationale	5,000,000	3,000,000	2,997,590	400,000	6	5,869,935	393,080	1,035,699	5,328,485	27,312,595
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	3,297,259	52,982	168,017	4,592,946	23,288,362
Union†	15,000,000	8,000,000	8,000,000	1,750,000	8	9,343,680	11,183,248	2,934,232	32,706,124	53,749,011
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	24,259,211	1,259,872	4,818,163	101,244,885	159,712,380
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	31,364,391	2,720,009	1,530,366	88,315,347	182,704,838
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	7,696,301	364,559	539,646	27,584,649	63,196,146
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	5,315,547	2,809,191	1,243,379	13,320,545	36,498,627
Standard	5,000,000	4,000,000	4,000,000	2,750,000	12	5,529,375	5,665,133	420,681	13,209,801	35,530,344
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	6,892,669	219,144	177,285	9,354,739	45,301,522
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	11,391,219	1,563,658	2,347,476	25,954,160	58,264,792
Sterling	3,000,000	1,266,600	1,235,000	500,000	8	1,445,545	4,555,709	358,349	2,655,845	9,809,326
Weyburn Security	1,000,000	655,700	524,560	225,000	7	548,442	71,450	12,829	1,349,896	1,388,070
Total	182,175,000	123,572,300	123,407,150	123,625,000	....	184,117,027	67,014,064	24,507,807	522,050,862	1,178,703,505

NAME OF BANK	Deposits Elsewhere	Loans from Banks in Canada	Balance due to Banks in Canada	Due to Banks in the U.K.	Due to Banks Elsewhere	Bills Payable	Acceptances under letters of Credit	Other Liabilities	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest Amount notes in circulation
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	71,158,946	....	4,191,620	279,586	338,215	853,784	3,527,082	945,321	578,122,271	375,721	19,209,921	59,119,739	42,233,130
Nova Scotia	29,932,933	....	1,397,011	67,783	1,480,154	287,049	327,627	399,718	189,792,487	777,760	9,274,828	15,948,244	15,752,879
Toronto	....	....	442,454	400,948	1,922,501	....	291,860	3,950	85,509,235	629,164	1,027,358	5,571,687	7,407,998
Molsons	....	....	639,897	3,462	399,999	....	302,281	472,738	61,265,044	72,509	599,314	3,502,321	5,817,101
Nationale	7,252,374	....	22	....	130,228	75,000	....	150,350	47,547,770	254,997	419,429	1,004,432	5,887,850
Provinciale		....	11,803	....	1,162	....	....	174,468	31,587,002	....	186,374	264,454	3,297,259
Union†	4,467,365	....	401,500	2,218,215	1,130,261	....	1,391,887	21,932	119,547,457	861,106	1,093,489	6,029,522	9,343,680
Commerce	46,551,948	....	307,158	892,631	7,646,335	1,879,272	6,660,816	17,017	355,249,693	1,609,944	14,581,000	23,524,000	24,300,735
Royal	135,585,769	....	848,527	425,924	15,423,176	3,766,674	5,958,827	38,720	468,682,574	613,012	10,549,816	22,323,412	31,406,547
Dominion	1,554,381	....	541,616	1,755,486	1,940,174	40,837	737,117	540,655	106,491,572	678,752	2,046,000	6,430,000	8,052,856
Hamilton	....	....	77,177	6,737	384,466	....	289,169	....	59,944,842	995,601	911,613	2,268,685	5,656,677
Standard	....	....	1,518,348	2,160,133	1,478,651	113	36,163	174	65,548,921	43,500	1,341,377	2,691,505	5,623,560
d'Hochelaga	....	....	1,210	456,601	231,432	....	77,566	3,244	62,715,415	231,470	523,915	3,132,124	6,892,669
Imperial	....	....	405,169	4,335	513,342	....	132,027	....	100,576,181	133,116	1,967,212	7,111,121	11,437,458
Sterling	....	....	331,382	15,394	615,199	....	9,400	2,091	19,798,243	173,199	75,252	634,743	1,445,545
Weyburn Security	....	....	....	....	15,767	....	....	26,951	3,413,409	34,123	18,632	119,020	548,442
Total	296,503,716	....	11,114,894	8,687,235	33,651,062	6,902,729	19,741,822	2,797,329	2,355,792,116	7,483,974	63,825,530	159,675,009	185,104,386

*Bonds of the Merchants Realty Corporation to the extent of $2,834,000 secured on premises leased to the Bank are in the hands of the public. These bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Bank of Montreal return.

†Bonds of the Canadian Realty Corporation, Ltd., to the extent of $2,600,000, secured on premises leased to the Bank, are in the hands of the public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Union Bank return.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other Banks	Cheques on other Banks	Balances due from banks in Canada	Due from banks in United Kingdom	Due From Banks Elsewhere	Government Securities	Canadian Municipal British and Foreign Securities
	$	$	$	$	$	$	$	$	$	$	$
Montreal	21,338,735	60,936,825	1,320,000	18,000,000	4,710,393	19,115,484	....	2,997,067	7,767,900	51,518,175	33,117,378
Nova Scotia	9,471,689	13,990,871	496,147	5,500,000	2,462,340	9,044,228	1,015	378,658	1,862,327	32,285,110	9,505,218
Toronto	1,031,319	6,536,985	278,464	2,150,000	648,265	3,820,423	....	76,427	915,881	15,490,840	3,857,531
Molsons	576,832	4,674,790	195,000	1,000,000	574,714	3,067,545	15,829	786,953	1,567,182	7,154,622	1,396,637
Nationale	427,862	1,168,480	150,000	2,400,000	641,596	1,578,462	1,856	813	700,973	16,244	6,902,389
Provinciale	181,269	262,352	151,565	....	550,692	1,854,545	3,278,840	18,311	178,705	2,444,496	3,067,588
Union	1,154,730	6,675,892	396,000	900,000	976,996	7,210,943	70,351	187,406	1,012,339	17,042,746	8,219,207
Commerce	9,102,008	20,698,021	750,000	9,800,000	3,520,356	13,140,059	6,314	195,208	11,774,935	35,903,678	12,838,465
Royal	10,950,507	22,604,752	1,020,000	11,000,000	27,752,241	18,888,043	4,273	1,254,712	20,479,403	34,776,731	13,954,313
Dominion	2,059,280	5,640,082	302,250	2,000,000	987,475	5,256,747	....	100,614	1,310,407	17,712,331	3,802,068
Hamilton	927,066	3,685,998	250,000	500,000	650,774	3,264,379	603,267	112,212	472,563	3,139,160	2,765,721
Standard	1,233,613	3,440,584	200,000	1,200,000	491,983	2,611,548	100,000	52,652	625,324	8,605,887	2,327,719
d'Hochelaga	560,380	3,112,597	200,000	2,700,000	1,352,565	3,505,074	606,092	15,677	494,446	3,449,306	5,244,616
Imperial	1,957,234	7,396,472	330,502	4,502,533	1,742,768	5,646,398	768,676	467,380	1,452,841	13,912,055	4,603,117
Sterling	80,167	992,990	66,000	....	141,753	636,646	5,100	24,317	145,022	9,538,264	1,415,620
Weyburn Security	15,848	152,521	24,254	....	28,710	23,508	339,929	....	45,076	8,355	13,314
Total	61,071,539	161,970,212	6,130,182	61,652,533	47,233,621	98,664,032	5,801,542	6,668,407	50,805,324	252,998,000	113,030,901

NAME OF BANK	Railway and Other Bonds and Stocks	Call Loans in Canada	Call Loans Elsewhere	Other Current Loans in Canada	Other Current Loans Elsewhere	Loans to Provinces	Loans to Municipalities	Overdue Debts	Real Estate Other Than Premises	Mortgages on Real Estate	Bank Premises Written Off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	2,671,468	6,347,628	119,690,124	221,191,911	15,110,705	8,363,301	25,766,026	1,021,850	619,222	895,420	10,000,000	3,527,082	*1,324,466	637,351,168
Nova Scotia	7,420,587	10,289,389	11,366,712	79,174,373	13,839,749	....	4,989,324	334,619	68,077	142,974	7,204,960	327,627	201,813	220,357,818
Toronto	1,448,599	6,720,568	....	49,017,859	....	....	2,560,941	397,581	....	....	3,474,927	291,860	....	98,721,477
Molsons	1,276,322	4,603,142	....	38,802,099	....	....	811,252	656,472	52,916	16,944	2,915,000	302,281	‡593,884	71,040,424
Nationale	8,410,556	365,965	....	25,854,942	....	....	551,271	846,921	480,828	345,558	178,579	....	310,628	51,333,932
Provinciale	1,480,601	5,647,751	....	13,986,570	....	....	1,532,291	227,227	5,500	13,271	1,328,546	....	151,464	36,361,590
Union	†5,832,647	1,424,015	145,618	63,013,221	2,649,556	3,247,362	4,857,030	423,668	214,632	389,485	2,383,593	1,391,887	7,382	129,826,714
Commerce	6,933,978	16,437,378	17,638,902	167,861,871	28,664,649	3,008,747	14,655,077	856,241	993,521	155,093	7,705,857	6,660,816	55,576	389,356,759
Royal	10,587,702	18,962,104	33,045,394	154,450,535	101,618,559	271,383	9,383,185	484,288	2,044,148	398,101	13,089,394	5,958,827	318,102	513,296,708
Dominion	2,638,935	6,216,708	3,033,459	60,412,936	525,210	....	941,784	294,796	57,417	21,820	6,240,525	737,117	344,807	120,636,777
Hamilton	324,338	6,553,066	....	38,120,656	....	27,050	3,082,005	493,578	704,001	109,946	3,185,993	289,169	380,995	69,841,945
Standard	344,065	2,907,914	....	43,705,692	....	....	2,228,946	308,614	253,440	69,000	1,888,173	36,163	71,401	72,702,726
d'Hochelaga	794,675	6,324,308	....	35,545,463	....	....	2,294,489	796,270	350,361	593,635	3,677,325	77,566	109,986	71,804,838
Imperial	456,655	4,002,091	1,100,000	55,622,781	....	276,210	5,459,347	519,861	426,825	375,548	4,793,676	132,027	618,872	116,563,879
Sterling	294,575	117,236	....	6,924,045	....	....	546,193	64,540	12,653	7,068	595,447	9,400	106,717	21,723,761
Weyburn Security	....	....	....	2,545,838	....	....	149,409	160,581	125,691	44,784	218,803	....	74,099	3,970,728
Total	50,915,703	96,919,263	186,020,209	1,056,230,792	162,408,428	15,194,053	79,808,570	7,887,107	6,409,232	3,578,647	69,080,798	19,741,822	4,670,192	2,624,891,244

Column No. 4. Of this deposit $9,502,533 is in gold coin; the balance is in Dominion notes.

*This amount includes $846,000 bonds of the Merchants Realty Corporation held by the Bank that were not issued to the public.—Foot-note to Bank of Montreal return.

†This amount includes $1,150,000 of Bonds of the Canadian Realty Corporation, Ltd., which were not issued to the public, and $999,300 of Stock of the Canadian Realty Corporation, Ltd., held by the Bank.—Foot-note to Union Bank return.

‡This includes shares in the St. James Land Company Ltd., valued at $222,396.95, the entire capital stock of the company being held by the bank—Foot-note to Molsons Bank return.

DEPARTMENT OF FINANCE, OTTAWA, OCTOBER 22nd, 1923.

MIGRATION FROM TURKEY TO CANADA NEEDS WATCHING

Canadian Describes Conditions as a Menace to This Country

CONSTANTINOPLE.—This is the most fascinating city, but it is changing daily. All the Allies and all the people who are not Turks are leaving by the thousands every week—Christians, Jews, Greeks, Russians, Armenians, etc., etc. About the first of October there will be practically nothing left here but Turks—casinos, cabarets, colleges, theatres, schools, shops, hotels, hospitals, etc., are all closing—perhaps never to open again. Some of the large countries such as U.S., Britain and France, are giving up their Embassies and are only going to have Legations here. In fact this city, until now the gayest and most cosmopolitan perhaps in the world—is apparently to become merely a Turkish village. Everybody is depressed and down-hearted, and one goes nowhere without hearing that because of one reason or another it is impossible to stay. The directors of the Pera Palace—the biggest hotel—are leaving, because the Turks demanded an enormous sum of money from them and because there are not going to be enough people here to make it worth their while to stay.

The Turks walked into a hotel on one of the islands the other day and told the Greek proprietor that he and everybody in the hotel would have to be out of it in an hour, which they had to do.

About 20,000 Russians have left and are still leaving and about 80,000 Greeks—of the latter most are going to Greece. I believe it will be the making of Greece's fortunes. There is more rug-making lately in Athens than here, as most of the experts—Greek and Armenian—have fled there. At Crete the agriculture is more extensive than it has been since ancient times, because instead of being fed for nothing, the refugees are being made to cultivate the ground for their living.

Most of the Jews are going to our country and the States—out of the quota of 31,000 Russians last year, 30,000 were from Russia—Jews mostly—and 1,000 only were refugees. Rockefeller has just given the money to pay the passages of a thousand of them to the U.S.A.

Most of the British have left, and all the Italians.

Some of the ships of the American navy are going to stay on a while to see how things go.

So you see the place is anything but promising from a business point, but it is intensely interesting. But Canada has special interest in these movements. Already many of the refugees from here have landed in the Dominion. Among them are a number of very fine citizens, but there are also many of the most objectionable persons. Moral conditions here have been fearful. Hundreds of Russian women of good birth and education have been forced into lives of degradation, have become drug agents and users and are suffering from communicable diseases. A number of these are on their way to Canada. The good Russians will become valuable citizens, but these people are a serious menace and should not be permitted to land.

They say there have been large anti-Kemalist demonstrations at Smyrna and some think that there may be a sort of revolution here in a few months when the Turks realize what they've done.

A man named Hussein Djahid got up in the government house the other day and made a speech telling his countrymen that they are driving away all the workers of industry in Turkey. The Greeks who have always lived here they have paid small wages and when they shall all be gone Turkey will have to employ foreigners whom they will have to pay far more. America is already offering them higher paid jobs there.

TWIN CITY EARNINGS

Lower net revenue and higher fixed charges have resulted in a decline in net profits of the Twin City Rapid Transit Co., and its subsidiaries during the third quarter of the year, compared with the same period last year. The gross revenues for the quarter at $3,164,820 showed a decline of $88,371, and net revenue at $819,196 was lower by $8,747. After deducting fixed charges and taxes amounting to $596,515, net income amounted to $222,680, as compared with $250,639 in 1922. Net income for the first nine months of the year at $1,151,755 showed an increase of $107,246.

Including Tax in Price May Prove Boomerang to Jobbers

Action already taken by manufacturers of hardware lines in order to have their prices in conformation with the new Sales Tax regulations, effective January 1, indicates a greatly varying tendency, which is causing a good deal of uncertainty among all branches of the trade, according to Hardware and Metal. The general tendency, it is thought, will be toward an increase in prices to the consumer on most lines of hardware, and any such action is generally deprecated as a very undesirable move under present conditions. In some lines lower prices were in contemplation toward the end of the year, and the result of the new regulations may be a postponement of such reductions rather than a further increase. It is thought the government has had in mind the fact that the general tendency of prices is gradually downward, and that this was counted upon to offset any sudden increases which would prove disturbing to consumers.

Some manufacturers have issued new prices already, including the new sales tax, these prices representing increases sufficient to cover the whole amount of the tax, whereas formerly part of the tax was absorbed by them. Another manufacturer has this week issued new prices to the trade, including sales tax, these prices representing an increase of 5 per cent. This shows that he is absorbing one per cent. of the tax and passing on the other five per cent. On this line it is the feeling among retailers that the resale price to the consumer will have to be increased, as the retailer cannot afford the reduction in his margin on the line. Another hardware manufacturer has eliminated the usual cash discount terms on sales as a forerunner of action to pass along the increased sales tax.

New prices have been issued on shovels this week, and the wholesalers' margin has been curtailed. The question was raised by one wholesaler as to whether the plan of including sales tax in manufacturers' prices, as urged generally by the wholesalers, might turn out to be a boomerang.

Under the new regulations, stating that an unlicensed wholesaler in selling to a licensed wholesaler or manufacturer must be assured that the goods purchased are to be wrought into or attached to articles to be subsequently sold, so that they will not carry sales tax, it was the opinion of a Toronto wholesaler that such licensed manufacturers would favor licensed wholesalers in making such purchases so as to do away with any of the difficulties over taxation. Purchasing from a licensed wholesaler, no tax rebate would have to be secured by the jobber, and, therefore, no proof of the manufacturers' intentions concerning the use of material supplied. In any case the manufacturer must show his license number in purchasing so that no tax will apply, and on merchandise which he will use for his own consumption he is not to show license number, as tax is to apply on such articles.

Another technicality has arisen in connection with the taking of inventory at the end of the year. An unlicensed jobber who has paid tax on his purchases does not know what of his stock may subsequently be sold to licensed parties, and on which refund will be secured by him. In January or February of next year he may sell a certain article to a licensed party and apply for refund of tax. Without a great deal of extra accounting he will have difficulty in knowing whether the article was purchased on the basis of the present tax or on the new 6 per cent. tax. One wholesaler answers that he will apply for rebate on the basis of existing cost and tax, not on the actual cost or tax paid at time of purchase. In connection with quotations by manufacturers this wholesaler states the manufacturer is not a collector of taxation, and that he must only pass on in his price the extra cost due to paying the government sales tax. On this basis he does not anticipate any manufacturers will show the tax as a separate charge on the invoice to the jobber.

"If we ask a manufacturer for a quotation, and the price does not include sales tax, we will refuse to pay him the amount of the sales tax if we buy from him," said this jobber.

Some attention is drawn to the fact that the sales tax applied at time of importation remains six per cent., as under the existing regulations, whereas the sales tax on domestic transactions is increased 1½ per cent., thus apparently giving imported goods an advantage.

The point has also been made that with the reduction in the number of licensed parties collecting the new tax compared with the existing sales tax that the cost of administering the tax should be much reduced, and danger of evasion or error considerably lessened.

MANUFACTURERS WOULD SHOW TAX ON THE INVOICE

(Continued from Page 1)

shown as a separate item and not as part of the cost of the goods. They had been booking fall orders on this basis.

The Canadian Manufacturers' Association has been looking into the matter and the following advice has been secured from "the best legal counsel available:"

"The question on which our opinion is asked is: whether this regulation is valid and within the power of the minister.

"We are clearly of the opinion that this regulation is invalid and ultra vires."

Opposition to the new regulation is indicated in the attitude of manufacturers whose opinion has been secured. Already a deputation from the garment manufacturers and the boot and shoe men has been heard at Ottawa, and other deputations are expected. There is a feeling that it is just another example of the lack of practical advice and knowledge of business principles in the framing of business taxes.

Want Separate Item

Following are some of the arguments advanced in favor of the sales tax appearing as a separate item on the invoice:

1. The true price of the Canadian article will be shown separately from the tax, and consequently will not compare unfavorably with the cost of similar articles in competing countries where no sales tax is in existence. They argue that the sales tax is a temporary revenue-producing measure and that, therefore, the manufacturer should not confuse it with his prices, as the manufacturer is in reality only collecting the tax for the government.
2. One costing system will serve both for imports and for domestic purchases.
3. Customers will generally buy at closer prices. It is deemed to be desirable to encourage consumption by keeping prices at the lowest possible level.
4. They point out that since the war reductions in customs tariff have been coincident with increases in the sales tax. In fact, the introduction of the sales tax and the various later increases in the rates were necessary chiefly to replace revenue lost through reducing the tariff. They say that the policy of the manufacturers has always been to urge dependence chiefly on the customs tariff for federal revenue, believing this to be in the best interests of Canada. They hold that reducing the customs tariff and increasing the sales tax has already done a great deal of harm, and that if this policy is continued it will be ruinous to Canadian industry. They regard the sales tax only as a temporary expedient, to be replaced as soon as possible by an increase in the customs tariff, which will not only provide necessary revenue, but will also develop the resources of the country.

Want Tax to be Known

The manufacturers object to any arrangement of the tax which will tend to increase their quoted prices, particularly where they are competing with imported goods on which the taxes will be collected after importation. They say, if the price includes the tax and duty, they are then open to the charge of merely adding in all they can.

They object also to a situation where there may be two prices, one including the tax to consumers and retailers, and one with the tax separate to wholesalers. If the latest regulation can be enforced it will probably mean that a great many manufacturers will prefer to include the tax in all cases to overcome the difficulty of having two price lists.

Another point made is that under the new regulations the number of manufacturers collecting will be greatly reduced. This will probably mean much larger amounts from each manufacturer to whom the government will look under the new act, and all the greater reason why these manufacturers should have a definite method of passing the tax on if they are not to bear it themselves.

Generally, the manufacturers take the attitude that even though the present taxes may be burdensome to some, there is nothing being gained by merely shifting the burden, especially after some years of effort have been expended in making the present system workable—they think the advantages will not compensate for going through the whole process of setting up collecting machinery again, with the innumerable points upon which rulings will have to be secured. On the other hand, retailers, most wholesalers, and those manufacturers who will be relieved of taxes are in favor of the change which they say will overcome pyramiding, and result in the tax applying only once, and that on the finished manufactured product or on imports.

LEBEL ORO SINKING

The shaft at the Lebel Oro has reached a depth of 150 feet. At a depth of 60 feet the vein on which the shaft is being sunk flattened out, but at 125 feet commenced to come into the shaft again. The plan of operations is to sink the shaft to 200 feet at which depth a small amount of lateral work will be done before resuming sinking operations. Twenty-eight men are at work. The company is being financed by American interests.

The Sherwin-Williams Co.
of Canada Limited

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of the Sherwin-Williams Company of Canada, Limited, will be held at the head office of the company, 897 Centre Street, Montreal, Que., on Thursday, the 15th instant, at 2.30 o'clock p.m., to receive a statement of the affairs and financial position of the company, for the election of directors, and for the transaction of such other business as may come before the meeting.

By order of the Board.
J. H. GORDON,
Secretary-Treasurer.
Montreal, November 2nd, 1923.

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They are everlasting, satisfying, exquisite in colouring and moderate in price when bought from
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THE CANADIAN BANK OF COMMERCE

NOTICE is hereby given that a special general meeting of the shareholders of The Canadian Bank of Commerce will be held at the Head Office of The Canadian Bank of Commerce at 23-25 King Street West, in the City of Toronto, Ontario, on Wednesday, the 21st day of November, 1923, at the hour of twelve o'clock, noon, for the purpose of submission to the said shareholders of an agreement for the sale by the Bank of Hamilton to The Canadian Bank of Commerce and for the purchase by The Canadian Bank of Commerce from the Bank of Hamilton of the whole of the assets of the Bank of Hamilton upon the terms set out in such agreement, and for the purpose of considering such agreement, and for the purpose, if thought fit, of approving of the same.

By Order.
JOHN AIRD,
General Manager.
Toronto, the 26th day of September, 1923.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 147

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1923, together with a bonus of one per cent., payable at the Bank and its Branches, on and after Saturday, 1st December next. The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 19th October, 1923.

The Bank of Toronto

DIVIDEND No. 169

NOTICE IS HEREBY GIVEN that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of December next to Shareholders of record at the close of business on the 10th day of November, 1923.

By order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
October 24th, 1923.

The Royal Bank of Canada

DIVIDEND No. 145 AND BONUS

NOTICE IS HEREBY GIVEN that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent. for the year ending November 30, 1923, and that the same will be payable at the bank and its branches on and after Saturday, the first day of December next, to shareholders of record at the close of business on the 15th day of November.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., October 16, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution, has been declared for the current quarter. A BONUS of TWO per cent. has also been declared for the year ending 31st October, 1923, both payable on and after SATURDAY, the FIRST DAY OF DECEMBER next, to shareholders of record of 31st October, 1923.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 26th October, 1923.

$1,700,000
SOUTHWESTERN UTILITIES CORPORATION
First Lien Collateral Convertible 7% Gold Notes
Dated June 1st, 1923 *Due June 1st, 1926*

THE COMPANY: The Southwestern Utilities Corporation controls through stock ownership the Northwestern Utilities Limited in whose name the Viking Gas Field Property and Edmonton Gas Franchise are held.

THE PROPERTY: The Viking Gas Field in which this property, known as the NORTHWESTERN PROPERTY, is located is one of the largest fields on the American Continent. The property comprises gas and oil rights underlying 50,000 acres and covers an area of 77 square miles. Of this area, 27 square miles are proven territory with nine producing wells with an open flow capacity of 36,000,000 cubic feet per day and a reserve of 60,000,000,000 cubic feet.

THE FRANCHISE AND ITS POSSIBILITIES: Edmonton is the only city of its size in Canada or the United States without gas. The Company holds an exclusive franchise to supply this needed utility, the introduction of which into Edmonton will furnish a most convenient and economical fuel for heating and cooking. Gas will also be furnished for industrial use. Based on an estimated consumption of 2,200,000,000 cubic feet per annum, the life of that part of the Viking Gas Field already proven will exceed 25 years. The Utilities Commission of Alberta has granted a rate of 46½ cents per 1000 cubic feet for domestic use and 30 cents per 1000 cubic feet for industrial use. These rates are contemplated by the commission to be equivalent to a 10 per cent. return on the invested capital.

SECURITY: The Notes are a direct obligation of the corporation, subject to $824,500 First Mortgage Bonds and are a first lien on collateral deposited with the Trustee of these Notes consisting of $2,000,000 First Mortgage 7 per cent. Sinking Fund Bonds, due 1938 of the Northwestern Utilities, Limited, and a majority of the common stock of the Canadian Utilities Limited, which owns all the capital stock of the Northwestern Utilities Limited and the Princeton Petroleum Company, Limited. These $2,000,000 First Mortgage Bonds of the Northwestern Utilities, Limited, are part of an authorized issue of $4,000,000 of which $3,250,000 have been sold and will be a first mortgage on property valued at $4,181,406 by the UTILITIES COMMISSION OF ALBERTA.

DESCRIPTION OF NOTES: The First Lien Collateral Convertible Gold Notes will be dated June 1st, 1923; will mature from June 1st, 1926; bear interest at the rate of 7 per cent. per annum, and will be in coupon form in denominations of $1,000 and $500, with privilege as to registration as to principal only. Both principal and interest are payable in gold in New York City and Portland, Oregon.

CONVERSION: These notes are convertible at any time prior to maturity, or if called for redemption, up to the redemption date, into bonds deposited as collateral security, at the rate of $1,000 First Mortgage 7 per cent. Bond and two shares of common stock of Canadian Utilities Limited, which owns all the capital stock of Northwestern Utilities Limited, for each $1,000 Note.

These notes are subject to redemption on thirty days' notice at 105 from June 1st, 1923, to May 31st, 1924; at 103 and accrued interest from June 1st, 1924, to May 31st, 1925 and 101 and accured interest thereafter to maturity.

Only $25,000 of these Notes are now available.
Price, Par and Accrued Interest.
Write or telegraph at our expense.

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